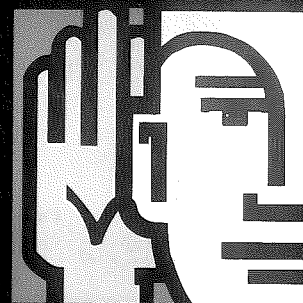


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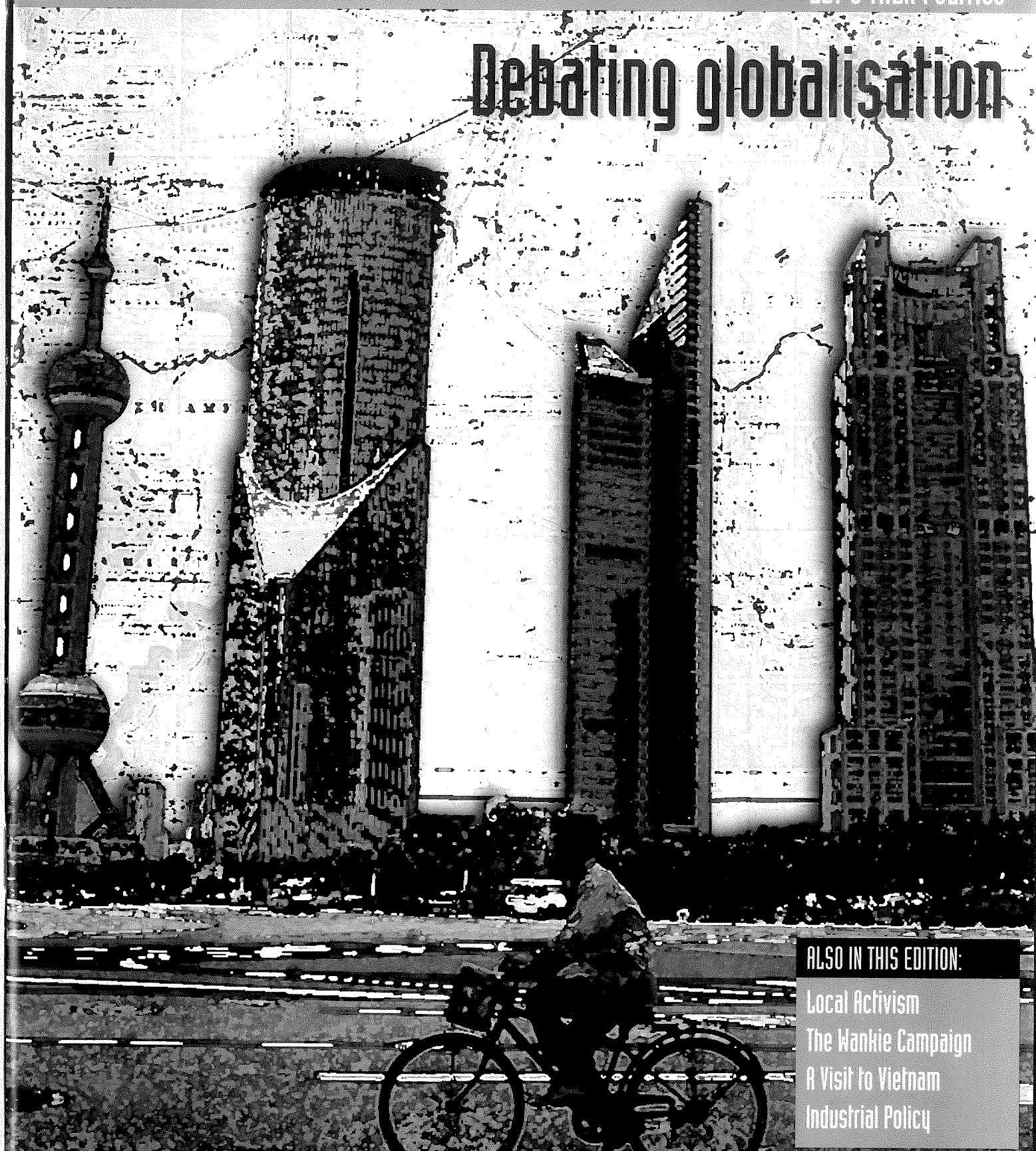


# UMRABULO



LET'S TALK POLITICS

## Debating globalisation



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The Wankie Campaign  
A Visit to Vietnam  
Industrial Policy

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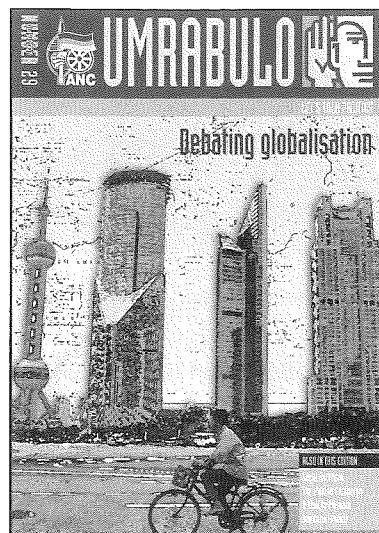
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## Editorial

# A better world is possible

In the current age of human development, the process of globalisation looms large over almost all aspects of economic, social and cultural interaction. Views may differ on how this process should be understood, how long it has existed, and what its impact is, but there seems to be broad agreement on some of its key features.

Though commercial activity has, across the centuries, demonstrated an impulse to expand beyond a confined geographical space, recent years have witnessed an acceleration in this process unprecedented in its pace and extent. This has largely been driven by advances in the fields of information and communications technology. Not only has this made the world smaller, but it has also reconfigured the way that economies operate, how production is organised, and how resources are valued. It has changed economic and political relations between states, within states and even within communities.

However, as several articles in this edition suggest, globalisation is not a single phenomenon. Rather it is a collective expression of a wide range of trends, forces, activities, changes and tendencies taking place at a global, regional, national and sub-national levels. These forces are often contradictory, exerting pressure in different directions, and offering a range of different possible trajectories.

To date, these globalising forces have had the combined effect of deepening inequality between wealthy and poor nations. They have served to exacerbate the differential power relations within the international community, and they have rendered the situation vulnerable sections of society, in both developed and developing nations, that more precarious.

Yet globalisation can neither be ignored, nor wished away. But that does not mean that it must necessarily and inevitably serve the interests of the wealthy few at the expense of the majority of humanity.

What is required of the citizens of the developing

world is to understand the various forces at work and how they interact with each other. It is necessary, particularly for progressives, to respond to these forces in a way that maximises the potential of globalisation to bring about a fairer and more equitable world order.

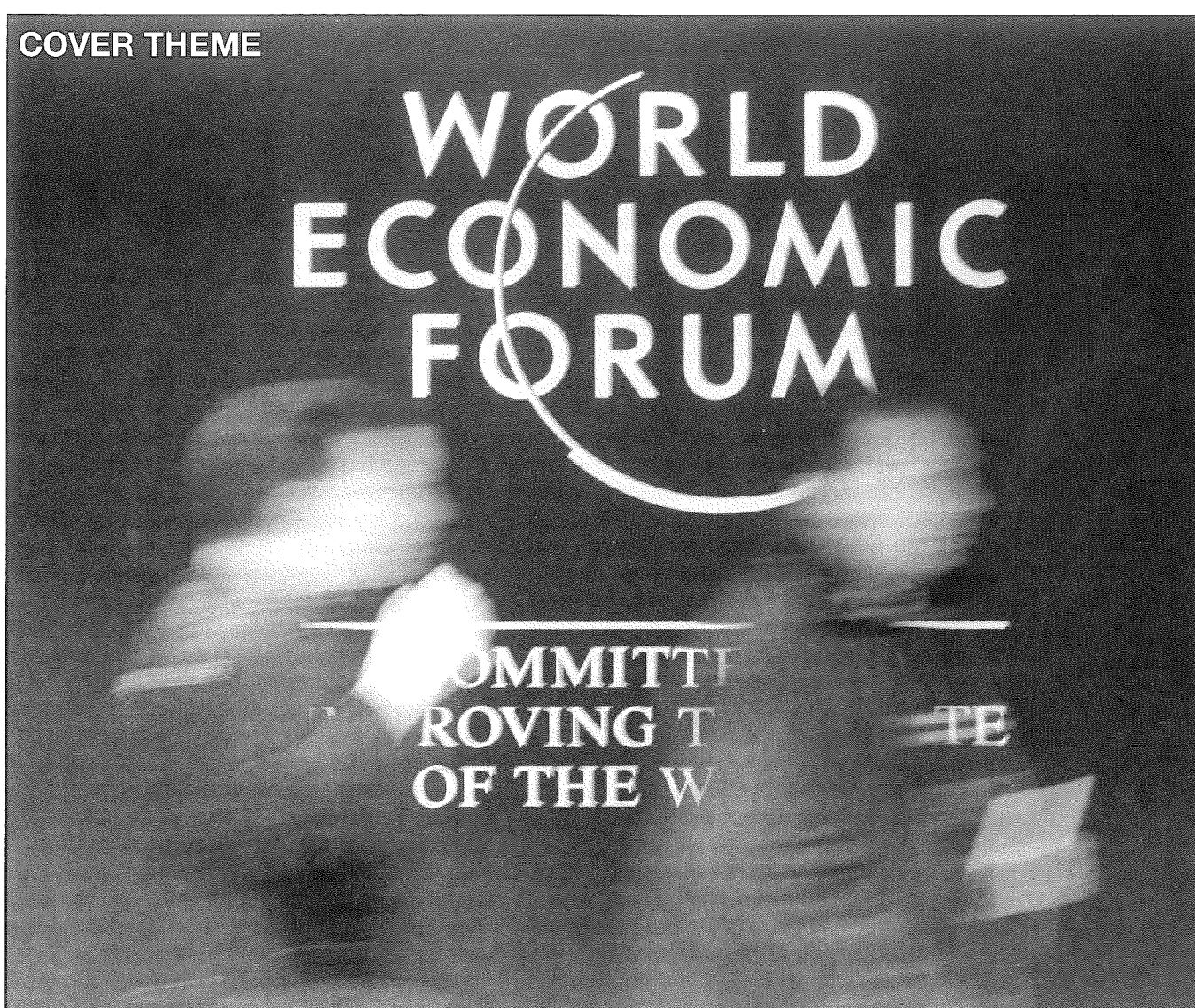
A number of countries of the South have demonstrated the possibility of harnessing globalising tendencies to improve their economic prospects. Through the right policies, starting with a comparative advantage in a particular area, or, in some cases, the sheer good luck of sitting on lots of oil, several countries have been able to grow rapidly in this new environment.

Other countries can certainly learn from such success stories. However, if the majority of the world's people are to be lifted out of poverty then attention will need to be paid to the structural constraints to greater benefits for all. This should include, for example, the rules that govern international trade and the assistance that multilateral finance organisations make to the development of developing economies. It requires an acknowledgement by the countries of the North that, apart from the moral imperative, their own long-term interests are served by ensuring the achievement of the aspirations of the peoples of developing nations.

Crucially, it also requires greater cooperation among the countries of the South, to build on their growing economic and political muscle and to seize the opportunities that exist to develop mutually beneficial relations.

To many, globalisation seems an unstoppable process, an overwhelming force against which resistance is futile. It may be a stark and unavoidable reality, but the ultimate effects of this process are far from certain. Much will depend on how the nations of the world, the peoples of the world, respond. And much will depend on how we act now and into the future within this changed – and constantly changing – environment.

## COVER THEME



# Globalisation must benefit all humanity

*Developing countries must seize the opportunity globalisation presents to launch into the critical stage of development and thereby defeat poverty and underdevelopment, while retaining political and socio-economic independence, writes President Thabo Mbeki.*

Writing about the period between 1848-1875, in his book, *The Age of Capital*, historian Eric Hobsbawm says that: "An enormous amount has already been written about the nineteenth century, and every year adds to the height and bulk of the mountain ranges which darken the historical sky."

The same can be said about the fact that so much has been written on the matter of globalisation – some good, others not that good – that "every year adds to the height and bulk of the mountain ranges which darken the historical sky". Indeed,

because of the 'darkened historical sky', at times when we analyse the current era and try to illuminate the 'darkened historical sky', we fall prey to the seduction of the glitter of the modernity of the current conjecture and begin to believe, wrongly, that this is a self-contained period which can be tidily separated from other historical epochs.

So seduced, we may even convince ourselves that nothing lies beyond this self-contained period and as Francis Fukuyama boldly proclaimed at the beginning of the 1990s that this is "the end of history and the last man".

Fortunately, real history is more dynamic, durable and complex to come to an end merely because one ideology, in this case neo-liberalism, seemed to have vanquished rival ideologies.

I therefore approach this topic on the assumption that there is a general understanding of the dialectics of history, that what is happening now has germinated from the seeds of the past and that in turn this period will leave its positive marks into the future, and for us from the developing countries this will be like flowers that sprout and blossom as winter gives way to the sunshine of spring.

Often, we use the term globalisation without dissecting its meaning and in many ways we have seen those who have political and economic power in the world using the term to justify actions that benefit this small section of humanity, thus engendering strong opposition from the oppressed and the marginalised.

Accordingly, we have a situation where the powerful and the marginalised would agree on the elements that constitute globalisation but disagree on the advantages and disadvantages of the phenomenon.

Classical theorists such as Adam Smith, David Ricardo, Karl Marx, Frederick Engels and others, engaged in a huge effort to analyse the complexities of a changing world, characterised by industrialisation and the globalising nature of that phenomenon.

The phenomenon of globalisation is not new. It appeared in different forms at various periods of history. Among others, Karl Marx spoke about this phenomenon during his time. In the Communist Manifesto, Marx said:

"The discovery of America, the rounding of the Cape, opened up fresh ground for the rising bourgeoisie. The East-Indian and Chinese markets, the colonisation of America, trade with the colonies, the increase in the means of exchange and in commodities generally, gave to commerce, to navigation, to industry, an impulse never before known, and thereby, to the revolutionary element in the tottering feudal society, a rapid development.

"Modern industry has established the world market for which the discovery of America paved the way."

He continued by saying:

"The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connexions everywhere.

"The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. To the great chagrin of Reactionists, it has drawn from under the feet of industry the national ground on which it stood. All old-established national

industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations.

"(The bourgeoisie) compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilisation into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image."

Marx gives a clear description of the nature of globalisation in the era of the capitalist mode of production and consumption.

The globalisation that we are engaging today is a phenomenon that has evolved in a process of qualitative historical changes that have brought about the hegemony of the capitalist mode of production and consumption on a global scale.

Although socio-economic interaction on a global scale goes back to antiquity, the difference with this phenomenon in the capitalist era is its pervasiveness and depth, reaching the most remote corners of the world as well as radically uprooting the traditions, cultures as well as social fabrics and systems everywhere.

Because of the avarice and the insatiable appetite to amass as much profit as possible and dominate markets, capitalism has to use all means possible, including military conquest so as to "nestle everywhere, settle everywhere and establish connexions everywhere".

This insatiable appetite and the concomitant aggression to satisfy it led to the colonial and imperial invasions of vast areas of land in Asia, Africa and the Americas. Accordingly, whether in Vietnam, South Africa or Chile, we see how, historically and adapting to the local conditions, the bourgeoisie has been able to give a cosmopolitan character to the capitalist mode of production and consumption.

Both before and after Marx, the globalisation of economic relations benefited the rich and the powerful. Initially, this powerful and rich group was almost exclusively confined to the colonial lands. For instance, early in the 20<sup>th</sup> Century, the economist John Keynes explained the exotic lifestyles of the British when he wrote in his book 'The Economic Consequences of the Peace'. He said: "The inhabitant of London could order by tele-

phone, sipping his morning tea in bed, the various products of the whole earth, in such a quantity as he might see fit, and reasonably expect their delivery upon his doorstep; he could at the same moment and by the same means venture his wealth in the natural resources and new enterprises of any quarter of the world, and share, without exertion or even trouble, in their prospective fruits and advantages.

Most importantly of all, he regarded this state of affairs as normal, certain, and permanent, except in the direction of further improvement, and any deviation from it as aberrant, scandalous, and avoidable."<sup>1</sup>

One of the central elements ensuring that the Londoner enjoyed that exotic life was the quick movement of products. The phone, the steam engine, the telegraph and the advent of electricity ensured that products could be easily ordered "from the whole earth"; whatever quantity as might have been fit could easily be carried and delivered at his doorstep.

Clearly, the telephone, steam engine and electricity radically changed the means and pace of communication among people and between countries.

Today the rich have become richer and more extravagant while billions of people continue to live in misery, a point succinctly put by the then Administrator of the UN Development Programme, Mark Malloch Brown, when he said:

"In large parts of the world, inequality is increasing, both within and, particularly, between rich and poor countries. Our Human Development Report estimates that the income gap between the fifth of the world's people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997. This is up from 60 to 1 in 1990 and 30 to 1 in 1960.

"The international development goal of halving poverty by the year 2015 is receding fast. Of the 6 billion people on our planet, an estimated 2.8 billion are struggling to survive on less than two dollars a day. And 1.3 billion live in absolute poverty, surviving on less than one dollar a day."<sup>2</sup>

As in the past periods, a critical feature in the capitalist mode of production and consumption is the speed with which people, products and ideas move. While the means of transportation is still very critical and central in today's society, what has clearly made a decisive change is the speed with which information flows and the quality of such information.

This radically faster movement of information derives from the development of computer technologies, ensuring rapid computing capacity based on digitisation and the almost instantaneous transmission of information by digital signal processes through radio, satellite or fibre optic cables that have brought about a real revolution in the realm

of communication as well as the dissemination and use of information and knowledge.

Although these technological advances are the continuation and modernisation of old technologies, it is their pervasive reach, their qualitative and quantitative impact on the socio-economic conditions and relations of people as well as their profound ability to supplant established social and cultural systems that distinguishes them from those of the past.

Again, as we know, all major technologies strongly influence both the means and the structure of production and this has certainly been the case with these modern technologies. Certainly, the majority that Malloch Brown spoke about are excluded in this communication and information technology.

So, what does all these mean to us, as the people of the South?

Globalisation is a fact of life. There are a number of challenges facing us developing countries. Among them is the impact this phenomenon has had on areas such as:

- domestic industries;
- trade between the developing countries and between the developing and the developed countries;
- local cultures;
- the nation-state and sovereignty.

Throughout history, the rich have always been defined by the large amount of resources at their disposal. This is still the case today. One of the distinct features of the modern globalised economy is the growth and rapid national and trans-national movement of capital. Among other things, this has resulted in trade in money coming to represent much larger values than trade in goods.

The consequent ability of short-term capital to cause serious crises in the real economies of many countries, as happened in the ASEAN region in 1997/1998, has been discussed extensively. However, the availability of these large volumes of capital in the world economy also signifies the possibility to increase investment in the real economies of countries, drawing on accumulated global savings.

The process of contemporary globalisation has also been accompanied by the further concentration and centralisation of capital, leading to the emergence of mega-corporations that play a dominant role in their sectors. We see this process continuing every day, with regular news of mergers and acquisitions leading to the creation of more and more multinationals in various sectors such as banking, pharmaceuticals, automobiles, oil and gas, information and communications technology, electronics and other sectors regarded as highly profitable.

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Because they look for maximum returns, many of these multinationals have developed new methods of production that help to define the nature of the globalisation process. Accordingly, it is important to understand some of the behaviour of these multinationals, which has a profound impact on developing countries as they try to build strong and competitive economies.

Let us take just one aspect of the operations of many multinationals, which is what is called 'intra-firm trade'. Today, many multinational companies that are domiciled in the developed countries of the North also have a strong presence throughout the

world, especially in the developing countries. In many instances these companies account for a large part of their home countries' international trade and are a critical part of the integrated global economy.

The OECD Economic Outlook of June 2002, commenting on the topic: "Intra-industry and intra-firm trade and the internationalisation of production", observes that: "The growing 'internationalisation' of production systems, which increasingly involve vertical trading chains spanning a number of countries, each specialising in a particular stage of production, is an important feature behind the changing nature and increasing scale of world trade."

And William J Zille, in his 1997 paper says that:

"Cross-border transactions between affiliated units and multinational companies account for a major share of US international trade in goods. In 1994 these transactions – commonly referred to as 'intrafirm trade' – accounted for more than one-third of US exports of goods and for more than two-thirds of US imports in goods.

"Intrafirm trade plays a critical role in the operations of multinational companies: It may help the multinational company to reduce the costs of distributing goods abroad or of acquiring inputs from abroad or to integrate production processes on a global scale. Intrafirm trade may respond differently than trade between unrelated parties to changes in economic conditions; for example, it may – at least in the short term – be more insulated from competitive forces in particular markets or from overall changes in prices, exchange rates, or general economic conditions."<sup>3</sup>

This aspect of globalisation – the intra-industry or intra-firm trade – where different parts of a product are produced in different countries, has a number of benefits for multinational companies. In many instances these benefits are to the disadvantage of

the economies of the developing countries.

Through this phenomenon, the multinational company is able to utilise cheaper labour, especially from the developing countries even when this labour is of higher quality than that in their homeland. The company is also able to reduce costs as indicated by Zille and because of its dominant position, the possibilities are remote for the emergence of new firms that would compete effectively and thus be able to attract business away from the multinationals.

This has a direct impact on domestic industries and on the possibility of the developing countries to develop local competing companies. In many instances, this undermines any chance that these countries might have to embark on a process of substantially developing their economies. The net effect of this is the perpetuation of old economic relations that are tilted strongly in favour of the developed countries of the North.

Further, as developing countries, we have to compete with an economic globalisation that invades cultural patterns, as Sukomal Sen observes. He says: "Worldwide proliferation of internationally traded consumer brands, the global ascendancy of popular cultural icons and artefacts, and the simultaneous communication of events by satellite broadcasts to hundreds of millions of people at the time on all continents are visible marks of economic globalisation invading the cultural arena. Some feel that the most public symbols of globalisation consist of Coca-Cola, Madonna and the news on CNN. Whatever the casual and practical significance of this phenomenon, there can be little doubt that one of the most directly perceived and experienced forms of globalisation is the cultural form."<sup>4</sup>

In this regard, the rich and the powerful create a world after their own image and use the power of a globalised media to project this image as that of an ideal, civilised and normal human-being after whom we should all aspire. We know from our own experience, coming from developing countries, that it is an intellectual dishonesty to suggest that to be civilised is to mimic foreign cultures and denigrate those of our indigenous people.

Again, we have often heard bold predictions that globalisation will weaken and even destroy nation-states. Some of those who try to use the phenomenon of globalisation to ensure the withering away of the state so that the market can rule supreme are themselves beneficiaries of strong states that laid powerful foundations for the private sector to thrive.

While there are elements of the phenomenon of globalisation that seem to weaken nation-states and threaten the sovereignty of many nations, this should be seen as a challenge to work together and use the many positive aspects of globalisation to

strengthen governance both at the local and international levels and use economic integration to promote, rather than suppress, the interests of nation-states.

Many political and economic analysts, theorists and practitioners would agree on what constitute the basic elements of a globalised world. But given the fact that these may proceed from different vantage points, there would be different interpretations of the advantages and disadvantages of globalisation and the course of action necessary to ensure that this phenomenon benefits all human beings, especially the poor and marginalised citizens that populate mainly the developing countries.

The rich and the powerful from the developed world, who "must nestle everywhere, settle everywhere, establish connexions everywhere" may see the phenomenon of globalisation as an important platform from which to increase their wealth, entrench their power and, through this, perpetuate the all-round subjugation of the poor regions of the world.

To those of us from the developing countries, globalisation must clearly mean the opportunity to leapfrog our countries into the critical stage of development and therefore defeat poverty and underdevelopment while resisting foreign cultural domination and retaining our political and socio-economic independence.

Together, we have the duty to ensure that our people enjoy a better life. One of the things we have to do to achieve this objective is to forge strong South-South partnerships that harness our comparative advantages in this globalised world, and among other things, utilise our capacities to change the trend whereby most developing countries are the exporters mainly of raw materials.

On 25 May we celebrated Africa Day, a day of historical importance on the calendar of the African continent.

The African continent is presently engaged in a comprehensive process of regeneration, with the objective permanently to end the vicious cycle of political instability, poverty and underdevelopment.

In this regard, there is increased unity and readiness to act for the betterment of the continent through the African Union (AU). There is also visible movement to accelerate the socio-economic transformation of all our people through the New Partnership for Africa's Development (NEPAD). At different levels of society there is a sense of urgency that we have to address the myriad challenges facing our continent.

The vision of the African Renaissance and the programme that emanates from it have translated into practical measures that include the need to strengthen partnerships so as to:

■ accelerate regional and continental political and

economic integration, strengthen the regional economic communities, including the involvement of the private sector and civil society;

■ help to entrench good governance, improve macroeconomic frameworks for development and deeper integration, improve trade among ourselves, by among others, eliminating barriers to intra-regional trade: this is based on the understanding that regional integration is central to our efforts to increase market size, ensure economies of scale and the maximisation of comparative and competitive advantages to attract more investors;

■ accelerate physical integration through massive infrastructure development;

■ work for the peaceful resolution of conflicts, and for the prevention and management of conflicts. It also includes peacemaking, peacekeeping and peace enforcement, and post-conflict reconciliation, rehabilitation and reconstruction.

As part of improving good governance on the continent, there is visible progress in entrenching democracy and already many countries have made major advances in terms of establishing democratic dispensations. Indeed, many more countries are working for political inclusiveness across regional, ethnic, religious and racial divides, at the same time creating new ways of involving all citizens in the political processes.

Further, a large number of our countries have improved their public financial, management and accountability systems, running smaller deficits, improving fiscal transparency and creating institutions and arrangements for better auditing of public funds.

We are indeed proud that many countries on the continent have adopted NEPAD as an instrument to advance people-centred development. NEPAD has detailed programmes of action within specific time frames and has, as one of its key pillars, the Democracy and Political Governance Initiative. In this regard, the African Peer Review Mechanism (APRM) is one of the most innovative aspects of NEPAD.

The APRM is an initiative to which member states accede voluntarily. It is a monitoring mechanism that helps the participating countries to conform to agreed political, economic and corporate policies and practices. Participation is open to all AU member states. So far, 26 states have joined.

On 17 July 1966, the outstanding champion of the struggle for liberation in Vietnam, Ho Chi Minh, said, "nothing is more precious than independence and freedom".

Today, we should, in the same spirit of Ho Chi Minh say that "nothing is more precious than the defeat of poverty and underdevelopment", because this must be the outcome of the independence and freedom to which Ho Chi Minh referred.

It is this precious independence and freedom that must help us to work together for the urgent reform of the multilateral institutions, especially the United Nations, World Bank, International Monetary Fund (IMF) and others; for the successful conclusion of the Doha Development Round; for the end to the Iraq war, the resolution of the Israeli-Palestinian conflict, and the negotiated settlement of the dispute involving Iran's access to the peaceful use of nuclear technology. Indeed, because nothing is more precious than independence and freedom, we in Africa are doing everything in our power to bring to an end the conflicts in Darfur in Sudan and in Somalia, and to support the peace process in Côte d'Ivoire.

The resolution of all these challenges is central to the attainment of a prosperous world where all of humanity would enjoy a better life.

**THABO MBEKI** is President of the ANC and the Republic of South Africa. This is an extract from an address at the Vietnam Institute of International Relations, Hanoi, 25 May 2007.

#### NOTES

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- 3 [www.itcilo.org/actrav/actrav-english/telearn/global/ilo/multinat/usintra.htm](http://www.itcilo.org/actrav/actrav-english/telearn/global/ilo/multinat/usintra.htm)
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#### COVER THEME



## Africa and the world economy in the 21st Century

*The new century offers great opportunities for development in Africa. To succeed, it needs to understand the changing nature of the global economy and the lessons of those developing countries that have achieved significant growth, writes Sydney Mufamadi.*

During their time, classical theorists such as Adam Smith, David Ricardo, Emile Durkheim, Karl Marx and Max Weber were concerned with the analysis of complex change in the making of the modern world. They were experiencing and struggling to understand the first phase of industrialisation in Europe.

In the altered conjuncture of the post-Cold War period, world history is being written and interpreted through the prism of globalisation. However, scholarly interest in the paradigmatic controversies of the classical era is intensifying in every part of the world. A survey of the classification of positions in the globalisation debate helps us to acquire a conceptual vocabulary of understanding the profound changes we are going through.

This emphasises the need for ongoing scholarly effort directed at enhancing our meta-theoretical

appreciation of what goes on around us.

We approach this topic inspired by an intellectual and practical search for a potential road map to the future. To illuminate the challenges facing the African continent and its prospects, this paper traces Asia's ascent through the hierarchy of the world economy.

Asia shares with Africa, and with Latin America, a past of economic subordination to a capitalist system that has been expanding since around the year 1500, but which has over the past two centuries effectively incorporated and subordinated the rest of the world.

The rapid development of Japan and the newly-industrialised countries (NICs) of East Asia offer instances where parts of the developing world could be elevated from the periphery to the core. World Bank ideology presents these 'Asian Mira-



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cles' as examples of the workings of the unfettered market.

Studies of rapid growth in East Asia and South-East Asia show that state interventions (including the previous strengthening of home markets) were decisive. This finding debunks idealised versions of the independent rise of private capital. As Karl Polanyi's work on the growth of capitalism in Europe indicates, historically markets were created by decisive state intervention in the economy. What was true for Europe was even more so for the post-colonial Asia. So too must it be for Africa.

Taiwan, Singapore and especially South Korea (the biggest economy in the East Asian region) did not cut themselves off from the world economy. They encouraged international finance to develop their economies. At the same time, the state intervened massively in the economy by, for example, setting up car, truck and bus manufacturing. The state set up different companies with government and international finance and made them compete against each other for the domestic market. The state also subsidised these companies' export strategies.

Today, post-Mao China is causing waves from the periphery of the international system. In its most recent phase, private capital accumulation dominates the growth process in China, although the state still strongly influences the pattern of investment through its control of the credit system, and its policies of creating 'national champions' in sectors such as automobile and steel.

China's strong foreign direct investment (FDI) flows reflects new market openings tied to its entry into the World Trade Organisation (WTO) in 2001, the government's push to build up the nation's infrastructure, and the opening up of its industries to overseas companies.

When China posts 9.5% growth it matters – a billion people producing nearly a tenth more stuff every year. If such a growth rate, or anything near it, proves sustainable, then it is obvious why some Western companies see China as a threat, and others see it as a huge opportunity. Political and economic observers are indeed concerned that the continued strength of China's export sector may intensify the impulse for protectionism. Already we have seen growing US Congressional displeasure with Bush administration trade policy. It is worth noting that Congressional antipathy toward China is bipartisan and longstanding.

#### AFRICA: THREATS AND PROSPECTS

Between 1960 and 1973 Africa's economic growth was no different from that of South-East Asia. For example, in 1957, when Ghana became independent, it was more prosperous than South Korea. Today, South Korea's economy is eighty times larger than that of Ghana.

Africa's share of global output has declined from 3.5% in the early 1980s to less than 2% in the past two decades. Further, much of Africa's exports continue to be dominated by primary commodities with limited gains in the diversification and the export of manufactured goods. This explains why most African countries are characterised by vulnerability to the instabilities of the global economy, especially fluctuations in the demand for commodities. This is in stark contrast to the exports of East Asia, the Pacific and South Asia. Like those of the high-income countries, the exports of these regions are dominated by manufacturers. Peter Gibbon observes that the share of manufactured exports accounted for by the Triad [the European Union, US and Japan] has stagnated whereas that accounted for by Asian countries outside Japan has doubled.

The Middle East remains the primary source of the oil that powers the growth-engine of the world's most industrialised economies. Since the international relations of the Middle East continue to be dominated by uncertainty and conflict, we must expect that Africa will continue to feature more prominently as one of the important non-Gulf sources of oil. We have already seen that significant FDI flows to Africa are located in North Africa, where investment favours oil-rich Sudan and Libya.

China is increasingly becoming a significant contributor to the rise of FDI in the extractive industries of several African countries. Some observers are fond of deploying a radical instrumentalism to explain Chinese involvement in the African economy. They accuse China of exploiting African resources in a predatory form – thus discouraging diversification and encouraging the consolidation of mono-product economic configurations. While dependence on oil exports can lead to neglect of other sectors of the economy, it is how export revenues have been historically invested that has shaped the region's economies.

At a more fundamental level, African populations and their leaders believe that the undermining of post-colonial sovereignty began in the economic sphere with the rise of the 'Washington Consensus' in the 1980s. This is when the International Monetary Fund (IMF) and the World Bank set about applying 'the wisdom of the market' approach to developing countries in economic difficulty, demanding in return for loans, not only free trade, but also the liberalisation of their capital and financial markets.

Globalisation has its winners in Africa too. It has expanded market opportunities for entrepreneurial individuals and firms who are increasingly becoming global operators. Some of these engage in intercontinental trade, mostly in Asia, but also with Europe and North America. Examples include the

exports of fruit, vegetables and flowers from East Africa to Europe and the Middle East. Fish from the Great Lakes, especially Lake Victoria, is being flown vacuum-packed to destinations as far as Gainesville, Florida.

These activities constitute a new feature of African development, one that suggests agency in spite of overwhelming structural constraints. South Africa, the most industrialised country in the region, is the most integrated into the world economy. This sets South Africa apart from its African neighbours. It has a unique interaction with the dynamics of globalisation. As both a destination and an originator of capital and investment, it has been able to take advantage of China's immeasurable consuming capacity.

It is estimated that South African investment in China is worth nearly \$2 billion. This volume of South African investments in China far exceeds that of China in South Africa.

Looked at in their entirety, the 53 countries of Africa constitute a panorama of differences and similarities. However, because the Sub-Saharan countries share a number of features (to varying degrees), they allow for some cautious generalisations. These features include a primarily rural population, a large agricultural sector, widespread economic poverty, and trade relations most significantly with the Organisation for Economic Cooperation and Development (OECD) countries.

About 82% of Sub-Saharan Africa's exports and 75% of its imports are, respectively, destined to and originating from developed countries. Apart from having less trade relations with ravenous young markets in places like India and China – each with well over three times the population of America – the African economy is also characterised by low intra-regional trade.

A significant bottleneck for economic development in many countries of the region is their poor physical infrastructure. It is often the poor state of the physical infrastructure that makes transportation costs in the region exceedingly high. Whereas such costs have gone down in all other regions of the world, they have gone up in Africa. To put this in perspective, excluding South Africa, the whole region has fewer paved roads today than Poland.

With regard to issues of science, technology and innovation, the situation in Africa is bleaker than in other regions of the world. The gross expenditure on research and development (GERD) as a proportion of gross domestic product (the GERD/GDP ratio) is very low, for both the Sub-Saharan countries and the Arab states of Africa, at 0.3% and 0.2% respectively. South Africa is responsible for 90% of GERD in sub-Saharan countries, and Egypt, and to a lesser extent Tunisia, Morocco and Algeria, carry out practically all research and development in the Arab states of Africa.

This makes for an unhappy contrast with China, which is rapidly developing the capacity to produce more sophisticated goods. By 2010 China is likely to be turning out more science and engineering PhDs than the United States. Already China is ranked fourth in the world, after the US, Japan and Germany, in research publications in several emerging technologies. The fact that China is graduating huge numbers of scientists and engineers explains why many multinational companies are relocating research facilities to China.

#### WHAT IS TO BE DONE?

The global environment in which African countries find themselves is a conditioning factor, it provides the parameters within which African agency takes place. Since it continues to rely on exporting primary commodities, Africa cannot generate enough capital from within and it is largely failing to attract foreign investments.

If economies can no longer be pulled along primarily by external growth, stronger internal buying power must be generated. The great challenge is to transform crushing social needs into effective demand and then to meet that demand by turning first to domestically produced goods and services, next to the region, and then to the wider world market. South Korea pursued this basic strategy in its earliest phase of industrialisation. Between 1955 and 1963 growth of domestic demand in Korea accounted for almost 90% of the rise in South Korean industrial output.

The competitive success of the firms changes a country's comparative advantage over time. The roots of comparative advantage in this more dynamic sense are found in the capabilities of firms located in a country, the abilities of the country's labour force, and the technical capacity of its universities and research institutions. All these can be built up, and government policy plays a role. The highly successful developing countries in East Asia, such as South Korea and Taiwan and now China, have been engaged in just this kind of process of changing comparative advantage.

They have shifted over time from primary to manufactured goods production, and from goods and services requiring less skilled to those requiring more skilled labour. In his book 'Africa in the Global Economy', Richard Mshomba specifically suggests that Sub-Saharan countries must support the Common Fund for Commodities in its role in financing research and development projects geared towards improving productivity, competitiveness, diversification, investment, marketing, and the optimal use and management of natural resources.

Given the fact that the world trade regime continues to reflect the asymmetries of a world in which countries differ widely in respect of their

economic and political muscle, and the reality that despite official tributes to "free trade", the OECD countries continue to barricade themselves behind tariffs and quotas on manufactured exports of least developed countries, developing countries must pay attention to the task of developing their tools of economic statecraft.

Mshomba suggests that Sub-Saharan countries must put into place inter-institutional committees on the WTO. The objective of these committees would be to coordinate trade information and national policy for implementation of the multilateral agreements, maximise the benefits from the agreements, and prepare effectively for future trade negotiations.

It is further suggested that Sub-Saharan countries must expand their economic diplomacy beyond working with government officials and politicians in OECD countries. They must collaborate with business associations in OECD countries that are against protection.

Beijing has begun to adopt a more assertive role in global climate change negotiations. In recent weeks, China has led an alliance of developing countries disputing the right of the UN Security

Council to debate climate change. A China which has arrived in this kind of way can project into the rest of the developing world aspects of its way of doing things as developmental behaviour for emulation. While the Chinese experience may not be mechanically replicable in our situation, it gives policy makers a menu of choices that the project of a self-regulating market denies them. The developing world in general, and Sub-Saharan countries in particular, have a right to cultivate an unmediated relationship with whomsoever they choose, China included.

Although the North-South market exploitative division persists, the dramatic winding down of the Cold War opens great opportunities for development. It is now possible to discuss development in terms that allow us to get beyond sharply ideological categories. There is now greater leg-room for the developing world to advance its interests, and, for Africa, the 21<sup>st</sup> Century is redolent with profoundly transformative possibilities.

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## COVER THEME



# The end of history is over!

*Rather than remain trapped in the past our strategic analysis must help us to understand the way in which this world is changing, and reveal the potential of our own actions to influence the direction of that change, writes Michael Sachs.*

The most important decisions of the ANC 52<sup>nd</sup> National Conference will concern our Strategy and Tactics. To quote the draft document, "contained in this outline of our Strategy and Tactics is the ANC's assessment of the environment in which we live and the immediate and long-term tasks that we face. It is our collective view of the theory of the South African revolution."<sup>1</sup> All our policy discussions – as well as our approach to reshaping and renewing the organisation itself – will flow from this analysis.

## THE ROAD FROM MOROGORO TO MAFIKENG

Today – more than ever – it is impossible to divorce social, economic and political change in South Africa from global developments. Our world is more interdependent, and more connected than at any time in the past. Therefore, our view of the National Democratic Revolution (NDR) must rest on a common understanding of the direction of

global change.

This is not new. "We cannot understand a single national liberation war," wrote VI Lenin in 1916, "unless we understand the general conditions of the period."<sup>2</sup> It was on this basis that the first Strategy and Tactics document, adopted at the 1969 Morogoro Conference in Tanzania, began its analysis.

The very first sentence of the Morogoro document located our collective view of the theory of the South African revolution in the general conditions of the period saying "the struggle of the oppressed people of South Africa is taking place within an international context of transition to the Socialist system, of the breakdown of the colonial system as a result of national liberation and socialist revolutions, and the fight for social and economic progress by the people of the whole world."<sup>3</sup>

This global transition meant that political liberation would open the possibility for a rapid and

seamless transition towards economic and social emancipation. We agreed with Leonid Brezhnev when he said that "the struggle for national liberation in many countries has in practical terms begun to grow into a struggle against exploitative relations, both feudal and capitalist".<sup>4</sup>

In the 1970s Karen Brutents (a leading Soviet theoretician of the NDR) identified the "main political, socio-economic and ideological factors which engender or stimulate anti-capitalist tendencies in the process of national liberation and favour a possible swing of the process towards socialist orientation". The first factor that he identifies is "the character of the epoch as transition from capitalism to socialism, and the high stage achieved in this transition, something that is expressed in the transformation of socialism into a world system and a motive force of contemporary history, and of the Soviet Union into a world power; and in the overall balance of class forces in the international arena."<sup>5</sup>

World socialism provided "a pillar for independent and progressive development of the former colonies" and "a powerful factor of class influence exerted by the working class, organised on state lines" which could compensate for "the weakness and inadequate organisation and influence of the working class in some countries". In more practical terms, Brutents argued that economic cooperation with the socialist countries would enable newly liberated countries to "build up an independent economy through the strengthening of the state sector, with an anti-capitalist orientation".<sup>6</sup>

On the basis of these global assumptions the Morogoro Conference constructed its distinctive programme of national change. While identifying national liberation as the main content of South African struggle, it also noted that the struggle was "taking place in a different era and in a different context from those which characterised the early struggles against colonialism. It is happening in a new kind of world – a world which is no longer monopolised by the imperialist world system; a world in which the existence of the powerful socialist system and a significant sector of newly liberated areas has altered the balance of forces; a world in which the horizons liberated from foreign oppression extend beyond mere formal political control and encompass the element which makes such control meaningful – economic emancipation".

Having won political independence these same convictions led revolutionaries in Angola and Mozambique to declare their commitment to Marxism-Leninism and move down the path of socialist construction. But, for better or for worse, liberation did not reach South African shores until the epoch of transition to socialism had been washed aside by the historical tsunami of the late 1980s.

As global capitalism reconfigured itself on the basis of new and revolutionary technologies the world socialist system collapsed into the dustbin of history, taking with it the influence of "the working class organised on state lines" and the idea of a world transition from capitalism to socialism. Suddenly deprived of this pillar of independent and progressive development, the models of socialism in Africa – whether of the 'utopian' variety practiced in Tanzania or the allegedly 'scientific' Marxist-Leninist approach of Mozambique – ended in defeat, with erstwhile Marxist-Leninists forming long queues outside the offices of the World Bank and International Monetary Fund (IMF). Across the continent a 'second wave of liberation' swept aside the one party states and replaced state-led development and 'people's power' with forms of government that attempted to mimic western-liberal approaches to politics and economics.

Some claimed that the 'End of History' had arrived. "The triumph of the West, of the Western idea, is evident first of all in the total exhaustion of viable systematic alternatives to Western liberalism," wrote Francis Fukuyama in 1989. "What we may be witnessing is not just the end of the Cold War, or the passing of a particular period of post-war history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalisation of Western liberal democracy as the final form of human government. This is not to say that there will no longer be events to fill the pages of Foreign Affairs's yearly summaries of international relations, for the victory of liberalism has occurred primarily in the realm of ideas or consciousness and is as yet incomplete in the real or material world. But there are powerful reasons for believing that it is the ideal that will govern the material world in the long run."

In its final throws, the dying horse of the Stalinist system did not kick – it whimpered. Casting aside the USSR's role in a world revolutionary process, Mikhail Gorbachev turned his attention to the resolution of regional disputes, a policy that paved the way for the end of cold war conflict in Angola, the independence of Namibia and the political liberation of South Africa.

Writing in 1990, one left-wing economist noted that: "The consequences of the Gorbachev foreign policy for other small radical states such as Cuba, Vietnam, and Mozambique are similar to those for Nicaragua [which had 'become more vulnerable to the continued imperialist attacks and pressures']". As the Soviet Union is curtailing its economic ties with these countries, it is also advising their leaders for moderation and reconsideration of the positive role of market mechanism. Proponents of

the new [Soviet] outlook no longer hesitate 'to warn the African National Congress (ANC) against a program of extensive nationalisation of private property, suggesting, instead, that the ANC extend guarantees to the middle class' (Strushenko's speech to the 2nd Soviet-African Conference in Moscow; as cited by Valkenier, 1987: 659)."<sup>7</sup>

So, instead of a local expression of the global transition from capitalism to socialism, South Africa's liberation was the product of a global process bound together with the collapse of world socialism and the disintegration of state-led development in Africa. The infant of political liberation was not delivered into the world its revolutionary parents had envisaged.

On 15 April 1994, a week-and-a-half before our first free election, representatives of 120 nations gathered at the other end of our continent, in Marrakesh, Morocco, where they ratified "the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations". This established the World Trade Organisation (WTO), heralding the beginning of a new era in global economic relations and the emasculation of independent development; the epoch of world revolution had given way to the era of neo-liberal globalisation. The ANC had to salvage a progressive and democratic project on the periphery of a triumphant global capitalism.

At the Mafikeng Conference in 1997, the ANC adopted a second Strategy and Tactics document – thirty years after the first in Morogoro. Remaining true to the Leninist idea that "every epoch leaves its imprint on national liberation revolutions"<sup>8</sup> the Mafikeng document asserted that "the liberation of South Africa was both a local expression of a changing world and part of the catalyst to renewed efforts aimed at attaining international consensus on the most urgent questions facing humanity".<sup>9</sup>

However, "these developments take place in a world in which the system of capitalism enjoys dominant sway over virtually the entire globe". It was a world in which private finance capital hung like a "Sword of Damocles" over our heads, menacing us with "the power to beggar whole economies and dictate social and economic policy especially in the developing world".

History had clearly superseded the global transition towards a new mode of socialist production, and in its stead Mafikeng characterised "our transition [as] an element of a dynamic political process of a world redefining itself with the end of the Cold War". Avoiding speculation on the outcome of this world-wide 'redefinition' the Mafikeng document observes only that "the transformation taking place in our country is closely intertwined with the search for a new world order" and that the

ANC would seek to take an "active part in shaping this order" both as a party and government.

Thus we confronted the deadening pessimism of the times and boldly proclaimed our hope for a better life and our determination to build it. We were also determined to lead Africa's rebirth, convinced that "developing countries, working people across the globe and those who command the resources required for development all need to be mobilised to achieve an international consensus on a humane, just and equitable world order..."

### A NEW MOMENT IN POLOKWANE?

In Polokwane we will adopt a new, third edition of Strategy and Tactics. Has our basic analysis changed in the ten years since Mafikeng? Is the NDR taking place in a different era and in a different context from that which characterised the mid-1990s? What new transitions are emerging at a global level, and how will these leave their indelible imprint on the course of national change?

The draft document, much in the same vein as Mafikeng, asserts that "today the system of capitalism holds sway across the world; and it is underpinned by the unique dominance of one 'hyper power'". While "the situation of unipolarity also has secondary multi-polar features", the overall explanation of the global system rests firmly on the concept of a unipolar world which is "best characterised by the term globalisation"; a world in which the technological wonders of a new age have created an economic system that works "as a single unit in real time on a planetary scale".

The document emphasises the static, immutable realities to which we all must adjust. It describes the world as it is, stressing the parameters that constrain our actions and emphasising the necessary aspects of development. Instead of grounding South Africa's transition in a clear analysis of global change, the draft document says only that "the strategic objectives of our NDR reflect some of the best values of human civilisation". The United States is elevated to an even stronger position than was the case at Mafikeng – it has now become an irresistible 'hyper power'<sup>10</sup> and the global market is reaffirmed as an irresistible historical fact. We appear to have gone back to a pre-Soviet era monopolised by an unbending imperialism.

The world is no longer a driver of dynamic national change; it is an external constraint which we dare not defy. Our discussion of the new, the potential and the emergent is muted. Another world might one day be possible but right at the moment it is an unrealistic expectation: we had better get on with the task of making this world a little more comfortable.

It appears that history has indeed come to an end!

Or perhaps it is our own ideological evolution that reached its highest state at the end of 20<sup>th</sup> Century, remaining frozen in the past and unable (or unwilling) to engage with the realities of a new millennium.

Perhaps in the aftermath of the collapse of the Soviet Union, and the ideological confusions of the 'post Cold War' such formulations were to be expected. After all, progressive movements faced the daunting challenge of defending basic values and hard-won principles. Our task was to hold fast against the global tide of neo-liberalism, which had proclaimed the end point of mankind's ideological evolution and the final form of government underpinned by the unique dominance of a single hyper-power and the irresistible tide of market liberalisation.

But surely in this new century it is becoming clearer each day that the triumph of neo-liberal globalisation was not in fact the permanent state of a new world order stalled at the 'end of history'. Far from being the defining features of a new epoch these were merely the transient features of an ephemeral interregnum, a fleeting moment in a much more significant global transformation.

Soon after 11 September 2001, John Gray wrote: "The dozen years between the fall of the [Berlin] Wall and the assault on the Twin Towers will be remembered as *an era of delusion*... The world was to be made over in an image of western modernity... Now, after the attacks on New York and Washington, the conventional view of globalisation as an irresistible historical trend has been shattered. We are back on the classical terrain of history, where war is waged not over ideologies, but over religion, ethnicity, territory and the control of natural resources."<sup>11</sup>

More recently, Russian President Vladimir Putin asserted that "the unipolar world that had been proposed after the Cold War did not take place... I consider that the unipolar model is not only unacceptable but also impossible in today's world."<sup>12</sup>

Against the backdrop of these growing global debates the draft Strategy and Tactics appears rather limp and unimaginative. It is as though we remain trapped in the era of delusion, still so dazzled by the bright lights at history's end, that we are blinded to obvious dynamics of a new global situation.

#### TRANSITION TO A MULTI-POLAR WORLD

If the twentieth century ended with the collapse of the Soviet Union, the 21<sup>st</sup> Century has begun with the emergence of a new global power.<sup>13</sup> By some measures China is already the second largest economy in the world. Other regions and countries – including India, Brazil and Russia – are also growing in economic significance.

Research conducted by investment bank Goldman Sachs concluded that "in US dollar terms, China could overtake Germany in the next four years, Japan by 2015 and the US by 2039".<sup>14</sup> The same report estimates that India's economy could be larger than all but the US and China in 30 years, by which time Russia would have overtaken Germany, France, Italy and the UK.

"What makes the crucial difference to economic globalisation today, and probably for the next half century, is the dramatic opening of first China and then India," says Razeen Sally of the London School of Economics. "Their integration into the world economy, still in its early stages, promises to be more momentous than that of Japan and the East Asian Tigers, and perhaps on par with the rise of the US as a global economic power in the late nineteenth century."<sup>15</sup>

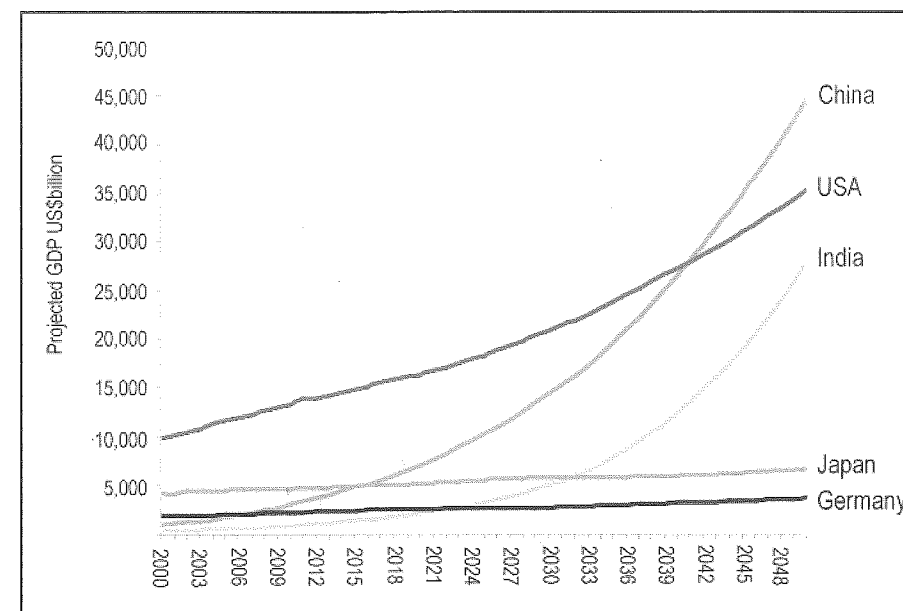
We are now in a period of transition that will not only change the centre of gravity in a global economy, but will also transform the manner in which the world economy operates. These are not the 'secondary features' of a static 'unipolar' order, but the primary features of the global transition. Rather than a simple acceleration of the existing imperatives toward 'globalisation', the scale of Chinese and Indian integration – 'on par with the rise of the US as a global economic power in the late nineteenth century' – points to a revolutionary transformation of the global system.

The rise of the US and its global integration had implied a transfer of global leadership from Britain, and a thorough reconfiguration of the politics and economics of global capitalism. It was a decisive factor behind the "breakdown of the colonial system" identified at Morogoro as a key component of the global transition.

The new global transition is fraught with immense dangers. The Chinese believe that it would be much better if its rise were a peaceful one. The Communist Party of China says that "China's national development will contribute to world peace and stability; and world peace and stability will contribute to China's national development".

But the prospects of a transition characterised by protracted global conflict hinge more on the USA's willingness to accept the transfer of hegemony. "If the system eventually breaks down," writes Giovanni Arrighi, "it will be primarily because of US resistance to adjustment and accommodation. And conversely, US adjustment and accommodation to the rising economic power of the East Asian region is an essential condition for a non-catastrophic transition to a new world order."<sup>16</sup>

The real cause for concern, therefore, is not China's quiet rise but America's noisy decline. On this score, the quagmire into which the USA has voluntarily plunged itself in Iraq does not bode



Source: Goldman Sachs (2003)

well. Neither do the cold winds of protectionism, nationalism and anti-immigrant xenophobia that are increasingly blowing through US and European politics, an ideological onslaught underlined by the overwhelming victory of Nicolas Sarkozy in the recent French elections.

#### A NEW GLOBALISATION

Rather than 'a unipolar world with secondary multi-polar features' it would be much better to characterise the current epoch as one of transition towards a multi-polar world. It is a transition fraught with immense dangers and vast opportunities, especially for the continent of Africa. And it is a transition that is likely to increasingly undermine the logic of globalisation as a free-market, laissez-faire system, which was the basic assumption of the 1990s.

The Goldman Sachs report forecasts that even once Brazil, Russia, India and China (the BRICs) are the largest economies in the world their per-capita incomes will remain below those of the current giants of global capitalism: "Despite much faster growth, individuals in the BRICs are still likely to be poorer on average than individuals in the G6 economies by 2050". Instead of musical chairs – some nations swapping with others at the table of 'most developed' – the world that is emerging will dance to new and unfamiliar tunes.

It will be a world dominated by 'developing' rather than the 'developed' countries, as the centres of economic gravity shift increasingly to the South. (Incidentally, Goldman Sachs also predicts that "South Africa's economy would be significantly smaller than the BRICs in 2050... though its projected GDP per capita would actually be higher". South Africans could on average be richer than those in the world's largest economies).

This is not to say that global economic interdependence is a thing of the past, or that the new technologies and global production processes associated will disappear. Growing global interaction and interdependence is more likely to deepen (as

it has over the whole course of human history). However, we should not search for the template of future interdependence in the fleeting realities that characterised the world at the time of South Africa's liberation.

As already mentioned, South Africa's political liberation coincided with the creation of the WTO. It was a time when globalisation was synonymous with the progressive erosion of barriers to trade through multilateral negotiation that would generate an ever-increasing dominance of free markets and a declining role for nation states. Are these assumptions still valid?

Today, only the most hopeful continue to believe in a successful conclusion to the current round of global trade negotiations, the Doha Development Round. As the window of opportunity created by the US president's trade negotiating authority rapidly closes – it must be renewed by Congress in June 2007 – the new political reality of a Democrat-controlled White House will dawn, together with a much stronger likelihood of US protectionism. The outcome of the French elections also weakens the likelihood of European compromise on agricultural subsidies, which are at the heart of the current stalemate.

But the forces militating against free market globalisation go beyond the fickleties of American politics or the wave of right-wing anti-globalisation gripping Europe. Two other developments point to an increasing role for state actors and non-market mechanisms in the global economy. First is the growing role of state entities as institutional investors. Second is the trend towards state production and non-market exchange in the supply of important global commodities.

It is commonly assumed that the resources required for development are held by private companies or by institutions that aggregate the private wealth of individuals. But today the fastest growing concentrations of capital are in the hands of public institutions set up to invest the foreign exchange reserves of countries such as China and the

Figure 1:  
Projected growth  
of GDP of Various  
Countries in  
US\$ billions

oil-exporting nations. While still only accounting for a fraction of the world's capital such sovereign wealth funds already control significant concentrations of resources, and they are growing rapidly.

In the first quarter of 2007 China's foreign exchange reserves rose by around one million dollars every minute. According to the Financial Times, "How and where this massive – and often secretly managed – pool of funds is deployed will be one of the big investment themes of the coming years." The China Investment Corporation will open for business later this year and is expected to have \$300 billion in its kitty. "That amount represents the single largest pool of cash that any government has thrown at anything, ever," says an investment analyst. "Adjusted for inflation, the US's largest effort, the Marshall Plan, comes in at just over \$100bn."<sup>17</sup>

As we call for a new approach to the reconstruction and development of Africa – a new Marshall Plan – we should not forget that a fund three times the size of the Marshall Plan is now ready for deployment by a state still in the midst of transition from socialism, and concentrate our efforts solely on creating the proper environment to attract private capital.

A second factor militating against free-market globalisation relates to the critical role of energy markets in the global economy. The recent spike in the oil price points to the end of cheap oil. In our enthusiasm for the technological wonders of information technology we often forget that the global economic system is dedicated to the production and movement of commodities and people across vast distances. Trains, airplanes, cars and ships bind global market interdependence and without them communications and information technology would be of very limited use.

Lively debates continue to rage as to whether we have reached the peak of global oil production, and if so, how traumatic the post-oil transition will be. Against this backdrop the role of western-dominated, privately-owned companies in the production and supply of oil is being increasingly eclipsed by state-owned corporations from the South. "A new group of oil and gas companies has risen to prominence. They have consolidated their power as aggressive resource holders and seekers and pushed the world's biggest listed energy groups... on to the sidelines and into an existential crisis... Overwhelmingly state-owned, they control almost one-third of the world's oil and gas production and more than one-third of its total oil and gas reserves."<sup>18</sup>

As well as encouraging resource nationalism and a shift towards state control of production, the same strategic concerns about the future supply of oil are also changing the shape of exchange. In

place of a free market with prices set by supply and demand in Western capitals many states are opting for long term strategic supply arrangements, often in exchange for payment in kind rather than cash.

For example, Angola has now become China's largest supplier of oil in a long term arrangement that exchanges oil for subsidised loans to fund the reconstruction and development of Angola's infrastructure. Rather than allowing supply and demand to find a price in the global marketplace, this deal is more like a barter arrangement, where two governments have agreed to mutually beneficial arrangements that short-circuit the market mechanism.

These and other strategic global developments point toward the need for a new and bolder debate on our strategy and tactics. Since the days of colonialism African economies have been hard-wired to Europe, with the USA playing an increasingly important role. In the era of transition towards a multi-polar world, new opportunities (and threats) present themselves. Already, many African states are looking East to circumvent the economic and political domination of the West.

Not since the demise of the Soviet Union has there been a countervailing force, ready to strengthen the role of the state sector and assist African countries in building alternative relationships of interdependence with the world economy. How should Africa exploit the window of opportunity presented by this transition? What role will South Africa play in the process?

The increasing role of Chinese foreign investment – much of it led by the state – will bring to a head the dominance of a new set of multinational corporations coming from the countries of the South. Already in South Africa global monopoly capital is taking an increasingly Southern appearance, mainly in the form of Indian-owned firms such as Mittal and Tata. Certainly many of the features of imperialism identified in classic Marxist analysis now apply to China, India and other developing countries: the export of savings, the search for markets, and the import of raw materials that are processed into value-added manufactures for export. Is this a new locus of imperialism? What are the implications for South-South cooperation?

#### THE END OF HISTORY IS OVER

How will these global transitions find local expression in our own National Democratic Revolution? As Lenin said, we cannot understand our own process of liberation without understanding the general conditions of the period in which we live.

It would be a serious error if we were to strategise on the basis of the general conditions of a

bygone era. Within our strategic debate today, there are two variants to this same error. The first attempts to analyse the NDR against the benchmark of Morogoro, refusing to admit the implications of the demise of the Soviet Union and the consequent global dominance of capitalism. This view continuously demands the delivery of certain 'promises' that were allegedly made in the midst of the world transition to socialism. It fails to articulate a new and modern view of the relationship between political liberation and social economic emancipation in the post-Soviet world. Consequently, it fails to offer any creative direction for progressive change in the world that actually exists.

On the other hand are those who remain mesmerised by the global ideology that sought to convince us all that the end of Soviet Union signified the end of history; that there is no alternative

outside the framework of capitulation to the dictates of global capital backed by a single hyperpower and all pervasive neo-liberal ideology.

Rather than remain trapped in the past, the hostage of ideas belonging to the last generation, our strategic analysis must help us to understand the way in which this world is changing; to identify the trajectory of the new so as to reveal the potential of our own actions to influence the direction of that change. If we fail to do so we may suffer the hapless fate of "a shapeless jelly-fish with a political form that is fashioned hither and thither by the multiple contradictory forces of sea-waves".<sup>19</sup>

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#### NOTES

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- 4 Brezhnev, LI: General Secretary of the Communist Party of the Soviet Union, Report of the CPSU Central Committee to the 24th Congress of the CPSU (1971) - Cited in Brutents (1977) p 9.
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- 8 Brutents
- 9 Strategy and Tactics, as amended at the 50th National Conference, December 1997, [www.anc.org.za/ancdocs/history/conf/conference50/strategyamend.html](http://www.anc.org.za/ancdocs/history/conf/conference50/strategyamend.html)
- 10 Incidentally, "Hyper Power" is described in Wikipedia thus: "After the end of the Cold War and the collapse of the Soviet Union, some political commentators felt that a new term was needed to describe the United States' position as the lone superpower. Ben Wattenberg coined the term 'omnipower' in 1990 and Peregrine Worsthorne used the term 'hyper-power' in 1991. French foreign minister Hubert Védrine popularized the term hyperpower in his various criticisms of the United States beginning in 1998."
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- 16 Arrighi, Giovanni (2003): Rough Road to Empire, revised version of a paper presented at the conference "The Triad as Rivals? U.S., Europe, and Japan" Georgetown University, Washington, D.C., April 25-26, 2003.
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# Industrial policy for a more inclusive and dynamic economy

*In developing its industrial policy, South Africa should respond to the specific economic challenges facing the country, recognising they are different to the conditions under which countries such as those of East Asia implemented successful industrial strategies, writes Zwelinzima Vavi.*

South Africa needs an effective industrial policy to restructure the economy to ensure it is both more inclusive and more dynamic. In particular, the Congress of South African Trade Unions (COSATU) has argued that a central goal of industrial policy must be to support sectors that can create economic opportunities on a mass scale, rather than prioritising exports or growth in concentrated, capital-intensive, relatively high-tech industries.

Industrial policy therefore requires consistency and coordination around well-defined priorities, because it requires far-reaching changes in current behaviour by both business and the state machinery.

COSATU adopted a detailed approach to industrial policy at its 2005 Central Committee. It essentially agrees with government's draft National Industrial Policy Framework (NIPF) on the broad aims of industrial policy. These are to:

- facilitate diversification beyond our current reliance on traditional commodities and non-tradable services, while building up industry and a more knowledge-based economy;
- promote a more labour-absorbing industrialisation path, with a particular emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation;
- promote an industrialisation path characterised by greater participation of historically-disadvantaged people and marginalised regions;
- contribute to industrial development on the African continent.

The new industrial policy framework is welcome both because it re-emphasises the need for more equitable, shared growth, and because it recognises that only much stronger, targeted and sector-specific intervention can achieve those aims. But

like the Accelerated and Shared Growth Initiative for South Africa (ASGISA), it is not consistent about how to implement these broad strategies.

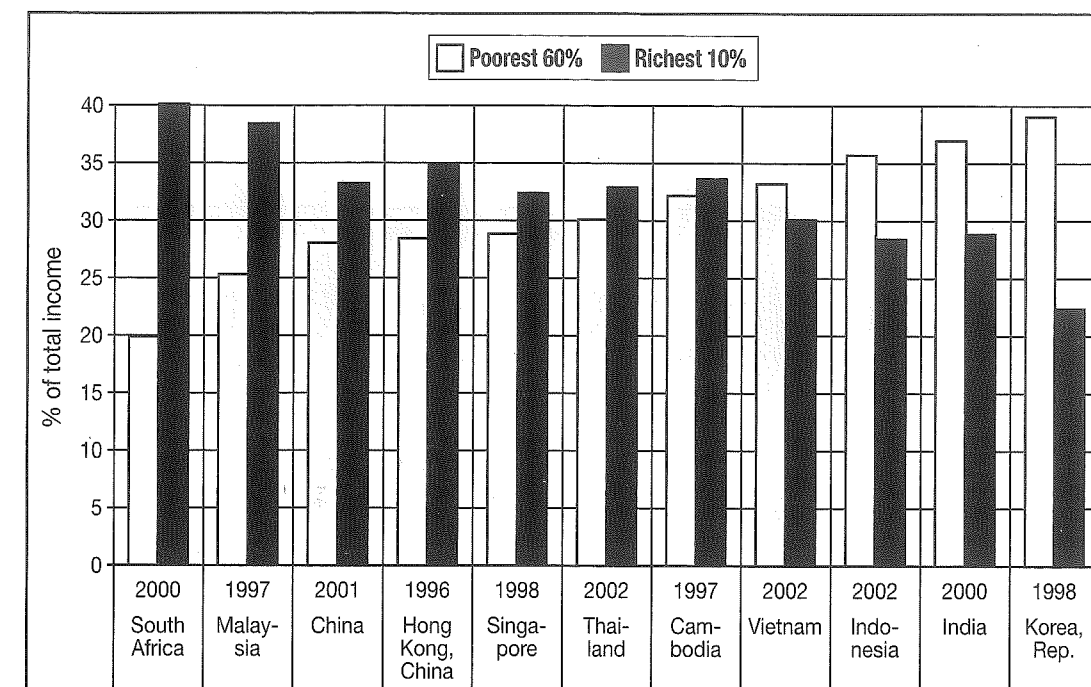
A problem with the government's industrial policy framework, as with much of the discussion on industrial policy, is the failure to re-examine the hegemonic industrial policy paradigm. That paradigm draws heavily on the experiences of East Asian countries, especially Japan, Korea and Taiwan.

But these countries faced very different challenges from South Africa. In strong contrast to South Africa, from the 1950s they were all characterised by unusually high levels of equality and employment (admittedly at low levels of income) as well as career mobility. As a result, their industrial policies could focus on exports, competitiveness and cost cutting without worrying that this could actually worsen joblessness.

As Figure 1 shows, South Africa remains far more unequal than the Asian countries. It ranks in the ten most inequitable countries in the world, worse only than the rest of the Southern African Customs Union (SACU), Brazil and other Latin American countries.

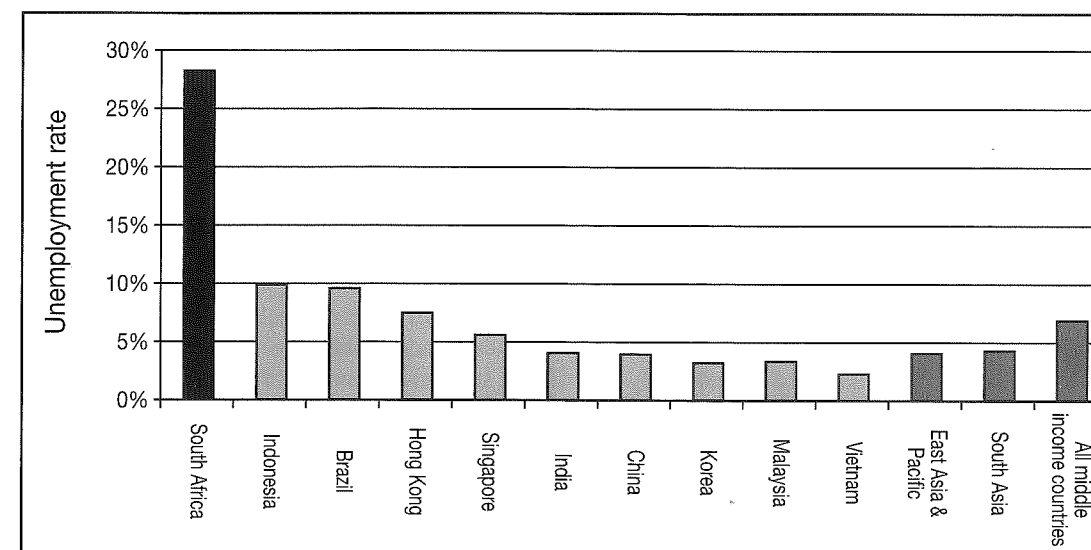
South Africa also has uniquely high unemployment levels for a middle-income economy. Figure 2 indicates how it differs from the East Asian economies.

Given mass poverty and joblessness, a narrow focus on competitiveness, high-tech exports and the like may aggravate social problems rather than alleviating them. In effect, these strategies aim to raise productivity of existing activities rather than ensure massive expansion to reach the unemployed. The result is that they may fail to ensure a more inclusive economy, and may even worsen the divide between rich and poor.



Source: Calculated from World Bank, World Development Indicators 2006. Downloaded from [www.worldbank.org](http://www.worldbank.org) in January 2007.

**Figure 1:** Income distribution in South Africa compared to Asian countries, early 2000s



Source: Calculated from World Bank, World Development Indicators 2006. Downloaded from [www.worldbank.org](http://www.worldbank.org) in January 2007.

**Figure 2:** Unemployment rate in South Africa compared to Asian and other middle income countries, early 2000s

The massive unemployment and inequalities that persist in South Africa mean we must fundamentally re-think many of the basic approaches typically associated with industrial policy. Above all, our industrial policy needs rigorously to target growth that can create opportunities for historically-marginalised groups. That means it must do more to emphasise formal employment creation and broad-based ownership.

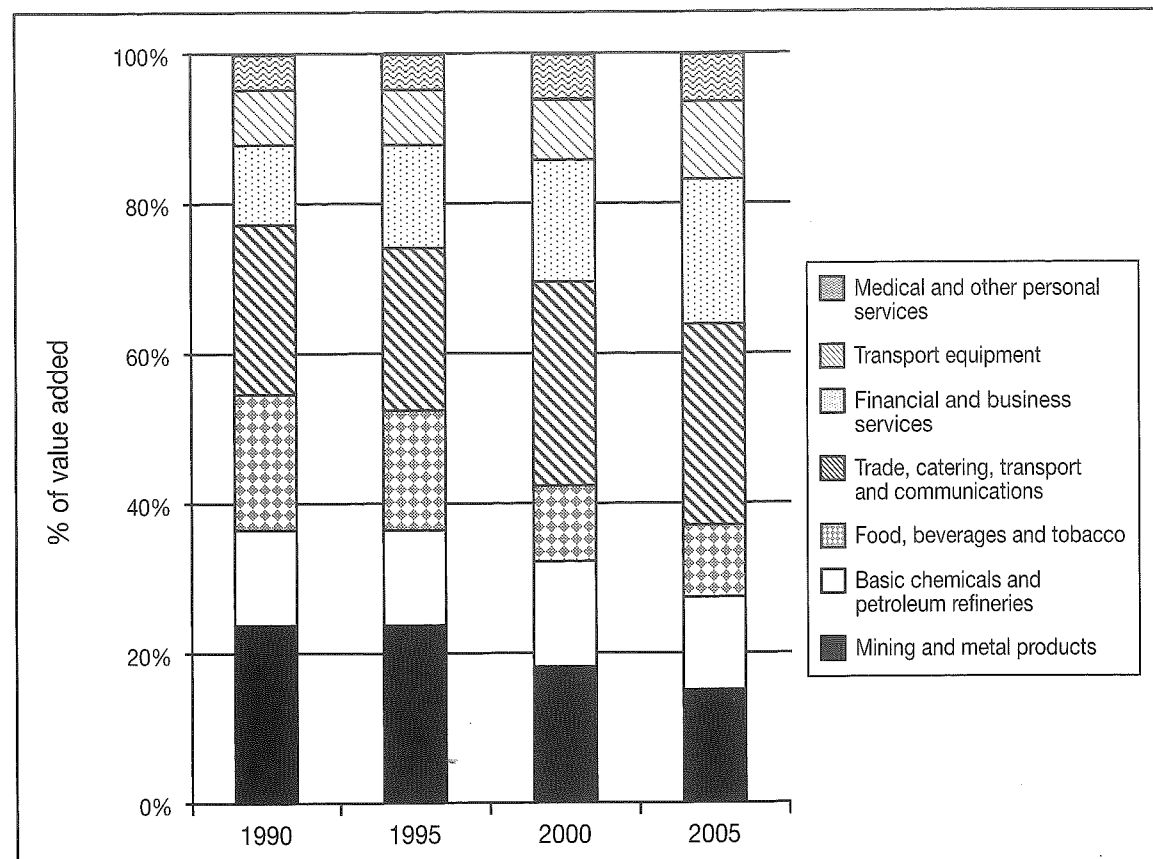
From this perspective, government's industrial policy represents uneasy compromises. The state's industrial policy framework recognises the need to support both knowledge-based industries and labour-intensive ones. But it does not discuss how priorities should be set between these groups, which would require a much clearer vision of how changes in the structure of production would ensure a more inclusive economy. Nor does it discuss

how the standard industrial policy approaches, such as industrial finance and tariffs, need to be modified if the aim is to maximise employment and equity rather than exports of manufactured products.

In some ways, the ANC policy discussion document, 'Economic Transformation for a National Democratic Society', is even less helpful, since it continues to focus quite narrowly on exports and, except for agriculture, simply ignores sectors that could create employment – such as services and light industry.

South Africa faces unique problems. Apartheid left us with an extraordinarily inequitable economy characterised by mass unemployment and huge inequalities among the employed. The question is how we can ensure that growth really addresses these problems.

**Figure 3:**  
Shares of total  
value added,  
1990 to 2005



Source: Calculated from TIPS EasyData, standardised industry series, downloaded from [www.tips.org.za](http://www.tips.org.za) in November 2006.

The critical question for industrial policy is to understand how the structure of the economy effectively marginalises so many of our people. COSATU has long argued that the fundamental problems are:

- the historic impoverishment of the majority of our people, who were largely deprived of land, business opportunities, and access to skills, finance and markets;
- the focus of the formal economy on mining and mineral products, which can support growth but do not create jobs on the scale needed;
- the extraordinary concentration of ownership of the economy in the hands of a small, white elite, which underlies inequalities in power, income and wealth.

The government's draft policy framework and the ANC discussion document essentially argue that the relatively rapid growth in the economy and in employment in the past five years reflects structural changes. By extension, continued growth will persist and lead to a more inclusive economy, without significant changes in economic strategies.

The ANC discussion document says: "The historically unprecedented period of continuous economic growth over the last eight years points to an economy which is beginning to transcend apartheid's limitations. Critical elements of a new growth path have begun to emerge, underpinned by the building of a democratic and redistributive state, the progressive erosion of apartheid spatial patterns, growing integration with the regional and global economy and the strong growth of the black middle strata."

The critical issue here is how structural change is defined. The core issues from an industrial-policy standpoint – and, indeed, to understand the accumulation process – relate to the structures of production and ownership. We need to ask whether the structure of output of the economy is changing toward industries that can create more jobs and higher value added. Is dependence on mining production diminishing? Is the structure of ownership changing to increase the economic influence and security of the majority of our people?

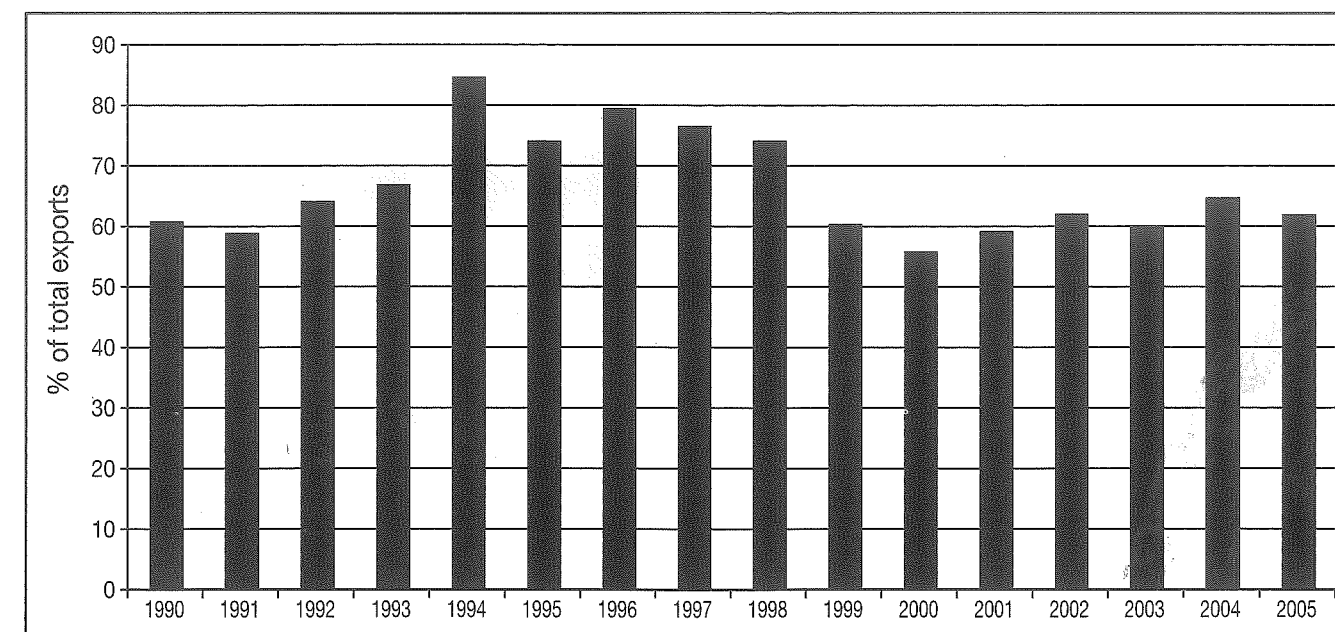
In terms of the production structure, three main trends have emerged, none of which points to a significant increase in industrialisation:

- The main shift has been the growth in retail and financial and business services (which includes both the financial sector and services such as information and communication technology (ICT) and security). These industries do create more jobs, but they are highly cyclical and many of the jobs created are casual, insecure and poor quality, that offer no ladder to the poor to come out of poverty.
- Outside of these sectors, only the auto industry has grown significantly, in large part thanks to substantial tax subsidies.
- Mining and minerals continue to dominate exports.

As Figure 4 shows, mining and base metals continue to make up over half of all South Africa's exports.

Data on ownership is much harder to come by. We need a study of the shifts in ownership, if any, since 1994. COSATU does not see much evidence of more broad-based ownership. A small group of

**Figure 4:** Mining and metal products as percentage of exports, 1990 to 2005



Source: Calculated from TIPS EasyData, standardised industry series, downloaded from [www.tips.org.za](http://www.tips.org.za) in November 2006.

black capitalists has emerged in the private sector and the parastatals, but overall inequality remains very high.

In any case, the growth of the "black middle class" is vastly over-exaggerated. Certainly more black people have obtained decent jobs, particularly in the public sector. As Figure 5 shows, however, the share of black people in senior positions remains limited. Progress in the private sector has been particularly disappointing.

In income terms, the number of Africans in the top 10% of income earners, who earn over R8,000 a month, almost tripled between 1996 and 2002, but still only came to 350,000. Only four percent of Africans fell into the top decile in 2005, compared to just under two percent a decade earlier – and over a third of whites. Moreover, the median income for employed Africans in 2005 was just over R1,500 a month.

In sum, growth from 1994 left the country with huge inequalities and continued dependence on mining products. In this context, the bulk of employment creation after 2000 came from retail, construction and business services. As Figure 6 shows, between 2002 and 2006 over three quarters of all net new jobs were created in these three sectors.

The key questions for shared growth thus become:

- Can construction, retail and business services continue to create employment at the rate seen in the last four years?
- If not, how can government intervene to support employment creation in other sectors to maintain the modest job creation of the past three to four years?

Industrial policy poses critical challenges for the state. Most observers argue that coordination of key stakeholders around national aims is critical

|                                                                           | Women | African | Coloured/Asian | White | Total |
|---------------------------------------------------------------------------|-------|---------|----------------|-------|-------|
| <i>Senior management and professionals</i>                                |       |         |                |       |       |
| 1995                                                                      | 29%   | 29%     | 12%            | 59%   | 100%  |
| 2005                                                                      | 35%   | 33%     | 15%            | 52%   | 100%  |
| <i>Technical and associate professionals (mostly nurses and teachers)</i> |       |         |                |       |       |
| 1995                                                                      | 52%   | 52%     | 11%            | 37%   | 100%  |
| 2005                                                                      | 53%   | 50%     | 17%            | 33%   | 100%  |
| <i>Clerks, service and sales workers</i>                                  |       |         |                |       |       |
| 1995                                                                      | 52%   | 50%     | 17%            | 33%   | 100%  |
| 2005                                                                      | 53%   | 57%     | 19%            | 24%   | 100%  |
| <i>Skilled production workers</i>                                         |       |         |                |       |       |
| 1995                                                                      | 11%   | 61%     | 18%            | 21%   | 100%  |
| 2005                                                                      | 13%   | 72%     | 17%            | 12%   | 100%  |
| <i>Domestic plus elementary</i>                                           |       |         |                |       |       |
| 1995                                                                      | 30%   | 81%     | 18%            | 1%    | 100%  |
| 2005                                                                      | 36%   | 77%     | 19%            | 4%    | 100%  |
| <i>Total formal employment</i>                                            |       |         |                |       |       |
| 1995                                                                      | 25%   | 44%     | 12%            | 19%   | 100%  |
| 2005                                                                      | 37%   | 60%     | 18%            | 22%   | 100%  |
| <i>Population, 2001 Census</i>                                            | 52%   | 79%     | 11%            | 10%   | 100%  |

Source: Calculated from Statistics South Africa. 2005. Labour Force Survey September 2005. Database on CD-ROM.

**Figure 5:**  
Occupations in formal  
employment by  
gender and race, 2005

**Figure 6:**  
Employment by sector,  
2001 to 2006

| Sector and industry             | 2001          | 2006          | change       | % of total change | % of change outside of agriculture | average annual % change |
|---------------------------------|---------------|---------------|--------------|-------------------|------------------------------------|-------------------------|
| Agriculture                     | 1,200         | 1,100         | -100         | -6%               | n.a.                               | -1.7%                   |
| Mining                          | 600           | 400           | -200         | -10%              | -9%                                | -7.8%                   |
| Manufacturing                   | 1,600         | 1,700         | 100          | 7%                | 7%                                 | 1.2%                    |
| Utilities                       | 100           | 100           | -            | 2%                | 1%                                 | 0.0%                    |
| Construction                    | 600           | 1,000         | 400          | 24%               | 23%                                | 10.8%                   |
| Trade                           | 2,500         | 3,100         | 600          | 37%               | 35%                                | 4.4%                    |
| Transport                       | 500           | 600           | 100          | 4%                | 4%                                 | 3.7%                    |
| Financial and business services | 1,000         | 1,300         | 300          | 17%               | 16%                                | 5.4%                    |
| Community and social services   | 2,000         | 2,300         | 300          | 20%               | 19%                                | 2.8%                    |
| Private households*             | 1,000         | 1,100         | 100          | 5%                | 4%                                 | 1.9%                    |
| <b>Total</b>                    | <b>11,200</b> | <b>12,800</b> | <b>1,600</b> | <b>100%</b>       | <b>95%</b>                         | <b>2.7%</b>             |
| <b>Total ex agriculture</b>     | <b>10,000</b> | <b>11,700</b> | <b>1,700</b> | <b>n.a.</b>       | <b>100%</b>                        | <b>3.2%</b>             |

Source: Calculated from Labour Force Survey, September, relevant years.

to successful industrial policy regimes. In particular, government must ensure coordination across the state machinery by aligning all policies to support shared growth. Critical to achieving this type of coordination is a clear and simple articulation of national aims, which ASGISA achieves through its targets for growth, employment and poverty, and a shared concept of the nature of structural change required in the economy. As discussed, there is much less progress in this regard.

Government has thus far largely failed to ensure that core economic and social policies are aligned around shared growth. In particular:

■ Procurement policies do little to support new local production, and often seem, in effect, to favour imports. Government spending constitutes a huge share of consumption. But the National Treasury has been very slow to ensure this goes to support local producers, creating new capacity and employment opportunities.

■ Trade policy remains geared largely to improving access to foreign markets in general, rather than ensuring sufficient support for industries that can create employment.

■ The failure to deal seriously with the over-valuation of the rand makes a mockery of any effective industrial policy. Every single country that has successfully industrialised has undervalued its

currency. This is easier said than done, but our manufacturing and service industries will be competitive only if there is an appropriate monetary policy.

■ There is virtually no link between broad-based black economic empowerment (BEE) and industrial policy. The requirements of the broad-based BEE codes around skills development, support for small enterprise and broad-based ownership could provide crucial instruments for industrial policy – but there is almost no pressure on companies to align their activities in this regard with sectoral policies. Moreover, the codes introduce unnecessary limitations on broad-based ownership by communities or workers, in direct contradiction of the ANC's long-held views on the need for broader ownership and empowerment.

■ Infrastructure provision is driven largely by the parastatals and local government, with little regard to the need to support labour-intensive industries.

■ The quality and level of social services and housing provided in poor communities is inadequate to help people to engage better with the economy.

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## CURRENT AFFAIRS



# Returning to the roots of local activism

*To effectively mobilise communities for change and address the challenge of local unrest, the democratic movement should look to the values, organising strategies and popular institutions of its past, writes **Mathole Motshekga**.*

**U**nder colonialism and apartheid domination African countries suffered the same political, economic, social and cultural domination, which led to the depersonalisation of sections of communities, falsification of their history, disparagement and negation of their moral and social values and cultural institutions.

The colonial system also tried to formally replace African languages, spiritual traditions and cultural institutions with those of the imperial powers. The colonisers were supported by a variety of religious institutions that worked to win African converts to Western institutions and the capitalist system, forcibly or through incentives. Few converts realised that in the process they were being co-opted into Western civilisation and perverted religions that undermined their own spiritual traditions.

Thus colonialism and its missionary enterprises encouraged the formation of elite groups alienated from their culture and susceptible to assimilation,

creating social distance between them and the African popular masses. The colonial and missionary enterprises also created socio-economic conditions that ensured that the popular masses remained backward. This was buttressed by educational systems that prepared African people for subordinate roles in society.

The sub-human conditions in which black people found themselves enabled local activists to mobilise communities for equality, freedom and justice for all. This social mobilisation was developed and nurtured by local struggles.

## GENESIS OF A MORAL VISION

The missionaries started their work in South Africa as early as 1797. The missionary churches practiced racism in the churches, dispossessed Africans of their cattle and institutions, and forced them to abandon their past, identity, culture and traditions. The resulting grievances forced the

African clergy to secede from missionary churches and form Ethiopian, or independent African, churches.

The missionaries played a major role in the accelerated African dispossession of land, cattle, pride, dignity and institutions. The sons of missionaries then filled various magistracies that were arising as a result of the rapid land dispossession and the destruction of African identity, culture and traditions.

Even before South Africa was united by British conquest, Ethiopianism was the first national movement that linked Africans in the coastal colonies and the republics of the interior. It promoted African national and worker consciousness and pride. After the Anglo-Boer South African War (1899-1902) white employers were worried about the effect of Ethiopianism on the labour market when employment was expanding and wages were considered too high by employers. The Ethiopian Christians questioned this capitalist greed and exploitation:

*"This is our country,  
These are our mines,  
Why are we not working them for ourselves and  
for our benefit,  
Instead of working for the white people  
and giving them all the benefit?"*

At the end of the South African War, the Boer republics and English colonial authorities concluded the Treaty of Vereeniging, which institutionalised the colour bar to achieve white unity and reconciliation by sacrificing African civil and political rights.

This treaty led to British authority in the Cape and Natal colonies being extended over the previously-independent Boer republics of the Transvaal and Orange Free State. The colonial government created a separate native administration and compiled a history of the Native Tribes of the Transvaal from oral tradition in an effort to understand African people and enforce their divide and rule strategy. Godfrey Lagden, a man who openly despised African culture, was placed in charge of the native affairs department and appointed chairperson of the South African Native Affairs Commission of 1903-05. The commission toured all the colonies taking evidence on how to partition the land between white areas and native reserves, and at the same time ensure African labour supply to white areas.

Lord Milner, the Governor-General, denied Africans state education. The Ethiopian churches and traditional leaders came together to build schools for African children. These schools increased at such a fast rate that in the years immediately following the South African War there were more independent African schools than white

schools in the Transvaal.

When a new poll tax was imposed on Africans in 1905-06 the Bambata rebellion broke out. The Ethiopian Christians participated in this rebellion. For instance, in February 1906 two white policemen were killed on a farm south of Pietermaritzburg when they attacked tax resisters belonging to an Ethiopian church. The Ethiopian Christians were also activists in the native congresses of the time. The native grievances cut across all sectors of society and unified all classes in the fight against colonialism and racist exploitation.

As early as 1892 John Langalibalele Dube called for a society that could be spiritual, humane and prosperous. Dube was an Ethiopian Christian. His vision of a new Africa was echoed by Pixley Isaka ka Seme, convener of the founding conference of the ANC, in his oration entitled 'The Regeneration of Africa'. Seme also called for the creation of a unique civilisation for Africa and Africans based on both spirituality and humanness. Both Dube and Seme had come under the influence of Ethiopianism during their studies in the United States.

Nelson Mandela has observed, quite correctly, that the links between the Ethiopian church and the ANC and the struggle for national liberation go back to the activism of the 1890s when the products of missionary education observed and recorded that African people were not only dispossessed of their land and cattle, but also of their pride, their dignity and their institutions.

The Ethiopian Movement was more than a religious movement. It went beyond the African interpretation of the scripture to address the native grievances side-by-side with all sectors of society. Its fundamental tenets were self-worth, self-reliance and freedom. These tenets drew the Ethiopian Christians to the growing political movement of the early 1900s that culminated in the formation of the ANC in 1912. The Ethiopian clergy and lay preachers, including people like SM Makgatho, ANC President from 1917 to 1924, used the church platform to recruit members for the ANC. In this sense, the ANC traces the seeds of its formation to the Ethiopian Movement of the 1890s.

The Ethiopian clergy in the ANC also played a critical role in shaping its moral vision. For instance, Rev ZR Mahabane, ANC President in the 1920s, challenged the colonial status of the African people in terms of which they were treated not as adult citizens with full rights but as children to be spoken for and controlled. Mahabane argued that the racist rulers of South Africa had denied Africans their basic human right to self-determination and that any advance in human rights in the South African context had to begin with the affirmation of African humanity. Thus Mahabane put the value system of *Ubuntu/Botho* at the centre of the

South African political scene.

Mahabane argued that under the dehumanising conditions of African people, the ANC could only be committed to recovering African humanity. His proposals found support in the ANC's annual conference in May 1923. The conference adopted a Bill of Rights that begins by affirming the indisputable and inviolable integrity of African humanity. In its first article the bill says Africans, as "human beings", have the right to be in this land.

The moral vision contained in the 1923 ANC Bill of Rights also links political and socio-economic rights. It says that the right to be a fully human being in South Africa includes the right to ownership of land, the right to equality under the law, the right to full and equal citizenship without discrimination on the basis of race, class or creed, and the right to full and equitable participation in the economic growth and development of the country.

#### RETURNING TO THE ROOTS

In the 1980s the communal and humanist culture of the people manifested itself in the alternative political and judicial structures that were formed. The judicial structures included people's courts, while the political ones included street, section and area committees. These structures blended revolutionary and traditional theories (for example, the Mandela Plan and the makgotla system) and their underlying values of participatory democracy, collective leadership, consensual decision-making and corrective punishment.

Before their infiltration by apartheid agents, people's courts educated the offenders, corrected them, and reintegrated them into the community. Convicted offenders rendered community services and performed other tasks ordered by the people's courts. The people's court was modelled, with some adaptations, on traditional courts, which had inspired Mandela's revolutionary thought.

In both political structures and people's courts the proceedings were participatory and decisions were based on consensus, not votes. This democratic culture ensured that leadership and community organisations acted as one and with a single purpose. All structures saw themselves as working together to create alternative governance structures based on and informed by the communal (*Letsema*) and humanist (*Botho/Ubuntu*) values contained in the Freedom Charter. This revolutionary document provided a unifying vision and policy guidelines for a post-apartheid South Africa. Thus comrades in the Mass Democratic Movement came to be known as the Charterists.

The Mass Democratic Movement, a reflection of the Congress Movement, was characterised by both participatory and representative democracy,

collective leadership, consensual decision-making, restorative justice and corrective punishment.

Both the political structures and people's courts used a bottom-up approach that ensured that the lower structures made inputs in the decisions that were taken at higher levels. These revolutionary structures used the media, including pamphlets and community newspapers, to inform the public and ensure that it supported their actions with understanding of their revolutionary purposes.

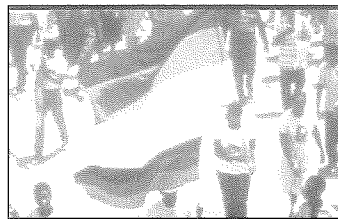
The organisational principle of both political committees and people's courts was that "the people shall govern". In other words, all decisions and actions should be based on the will of the people as a whole. This democratic culture was so inclusive that only apartheid agents were left out of the process.

Besides the political committees and people's courts there were many sectoral organisations, such as health workers' and lawyers' organisations, formed and led by Charterists. This meant that both the masses and professional people were informed by the vision and values of the Freedom Charter.

#### THE FREEDOM CHARTER TODAY AND TOMORROW

The Freedom Charter remains a very important revolutionary document that can and should guide us today and tomorrow. During the 1980s the masses of the people were socialised in the vision and values of Freedom Charter and the virtue of active participation in the creation of a new South Africa in which all will be free, equal and have access to justice. Since the dawn of democracy in 1994, however, a social distance began to develop between the ANC and government and between government and the people. This social distance tended to alienate both ANC members and communities and encouraged the formation of concerned groups. This culminated in ANC members standing for local elections as independents. The nature and style of our movement today has contributed to the social unrest that has taken place in some communities.

The establishment of ward committees and the appointment of community development workers (CDWs) could be used, together with ward councillors, to close the emerging social gaps. For instance, a ward secretariat made up of the CDWs, ward councillors and administrators could provide an important link between municipalities on the one hand, and the ward committee and sectoral organisations on the other. Such a structure would close the social gap between councillors and com-



*The Freedom Charter remains a very important revolutionary document that can and should guide us today and tomorrow.*



*The Freedom Charter provides a blueprint for social mobilisation based on the common heritage of all South Africans, both black and white.*

munities and create dynamic relationships between municipalities and communities and ensure rapid and constant flow of information.

Such a dynamic relationship would create an environment conducive for local activists in political and sectoral organisations to work together in the mobilisation and involvement of the people in the administration of their own affairs. In general, people do not demand delivery now. They only need to know when it will take place and why it is delayed. Thus the flow of

information and involvement of people in the administration of their own affairs is key to social cohesion and stability.

The Freedom Charter provides a blueprint for social mobilisation based on the common heritage of all South Africans, both black and white. This document could and should serve as a guiding document for civic education that includes the history of the struggle, the challenges of consolidating and entrenching democracy and a human and people's rights culture, and creating jobs, fighting poverty, diseases and underdevelopment. Besides, the Freedom Charter and its underlying communal and humanist values would highlight the importance of the national heritage and culture in nation building, moral regeneration and social cohesion.

Although the human rights culture is universal, its interpretation and application recognises national cultures and thus differs from country to country. In South Africa, the Freedom Charter and its underlying communal and humanist value system could and should be used to inform our interpretation and application of the human rights culture.

A humanist culture would help us to combat greed and personal accumulation of wealth at the expense of communities, and the accompanying impoverishment and alienation of communities. The communal culture would promote the establishment of cooperatives and broaden the participation of the people in the mainstream economy. Local activists, regardless of their levels of education, are familiar with the Freedom Charter and its communal and humanist principles. Thus the Freedom Charter could and should once more become our mobilising tool and state resources should be progressively used to deliver the services promised by the Charter.

In the 1930s Charlotte Makgomo Manyo-Maxeke, an Ethiopian Christian and trade unionist, challenged the oppressive social conditions suffered by African women and established women's rights as human rights. The depth of the ANC com-

mitment to African humanity found expression in William Nkomo's address to a women's conference in 1939. Nkomo argued that Africans are not a sub-human race and they too desire the right of self-determination.

Although the ANC regarded human rights as universal, Anton Lembede highlighted the influence of a people's world-view and culture on human rights interpretation and application. Under the leadership of Lembede the ANC Youth League spelt out the African world-view, and contrasted it with the Western world-view, in its policy statement. More specifically, Lembede contrasted Western greed and individualism with African holism and humanism:

"The African, on his side, regards the universe as one composite whole; an organic entity, progressively driving towards greater harmony and unity whose individual parts exist merely as interdependent aspects of one whole realising their fullest life in the corporate life where communal contentment is the absolute measure of values. His philosophy of life strives towards unity and aggregation; towards greater social responsibility."

The African holistic (or communal) and humanist world-view and values found their way into the Freedom Charter. Thus the ANC's moral vision found its way into the ANC's vision of a post-apartheid South Africa.

The 1994 democratic breakthrough brought about political freedom and created space for new struggles for cultural, social and economic freedom. The achievement of the right of cultural self-determination will decolonise the African mind and assist it to develop its potential to the full. This will unleash a new local activism and social mobilisation. The mindset and value system inherited from the colonial and missionary enterprises inhibit personal and social development.

In 1994 we inherited a well-entrenched value system based on greed and personal accumulation of wealth at the expense of others. This value system entrenched a false belief among the oppressed that this capital accumulation by a few will create jobs for them. This mindset has rendered the oppressed majority dependent on a capitalist class that is not sensitive to their needs.

These capitalists are aided by colonial and neo-colonial religions that act as painkillers for victims of capitalist exploitation. These religions place responsibility for success and well-being in the hands of the clergy and God, not the people themselves. Thus the people cease to be their own liberators and place their trust in the clergy that make them pay endlessly to support religious institutions. These churches destroy the liberatory activism that was engendered by Ethiopianism.

South Africa requires spiritual, cultural and

political activists who will strive to achieve the new and unique civilisation that Seme and Luthuli envisaged. The emerging home-grown spiritual and cultural movement that transcends race, colour or creed should be encouraged, as it will change the mindset and value system inherited from the colonial and apartheid past.

The new movement will focus popular energies on personal and social development rather than undermine the national democratic revolution. This spiritual and cultural liberation movement can only succeed if ANC local activists become part of it and become active within their communities. This will arrest the activities of concerned groups who are manipulated by foreign forces to undermine the national democratic revolution and channel popular energies to the creation of jobs and fight against poverty, diseases and underdevelopment.

The challenge facing the ANC, therefore, is to develop well-rounded cadres who are knowledgeable and active within the broader society. Local activists within communities must be visible and discharge their duty to listen carefully to what communities say and to speak up, fearlessly, for their communities. These activists should promote all-round active participation of communities in the creation of jobs, and the fight against poverty, disease and underdevelopment. In this way local activists will become organisers of the South African people, the force that mobilises them to become active agents of a better life for all.

The mobilisation and development of communities should ensure that both the spiritual and material challenges facing society are addressed. Recently issues of spirituality, the African past, identity, culture and traditions have come to the

fore. These issues are closer to the hearts and minds of communities and reinforce our moral vision. Local activists should harness the cultural heritage and indigenous knowledge systems for nation-building and social cohesion. Various community initiatives should be used as platforms by local activists to provide leadership and build organisation.

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*South Africa requires spiritual, cultural and political activists who will strive to achieve the new and unique civilisation that Seme and Luthuli envisaged.*

# What happened to the people?

*If the ANC is to meet the challenges of the contemporary terrain, its social sector policy discussions need to undertake a strategic analysis of its approaches to mobilisation and putting the people centrally in the life and decisions of the nation, writes Graeme Bloch.*

After 10 plus years of government, reflecting on the relation between state and party and its own history as a liberation movement, the ANC must be able to offer a wealth of experience and insight.

How has the party as mobiliser of the masses been able to address the complexities of the transition? What has been learned from the first decade of democracy given that the ANC in government can be defined as being the prime agent for social delivery and improvement? The ANC organises the people, it is the vox populi par excellence. What is the party's and the people's relation to government, with all the state's limitations and its possibilities? How does the ANC help to transcend blockages and pitfalls to deliver socially progressive programmes?

What are the difficulties of bringing about social transformation? What is the relation between policy and outcome, between implementation and effect? How do policies impact on the big-vision goals of reducing poverty and providing access to the benefits of social development for all, especially the poor?

Crucially, in assessing the last decade or more of pro-poor activity, what is the role of the ordinary person? How do their organisations, social structures, ways of seeing and acting in the world, impact on the life chances and opportunities of the masses who have always been the base of the ANC?

A discussion of social transformation, the social sector and social sector policy must surely provide a rich body of information, insight and debates about proposals and direction for South Africa. It must be about much more than simply the 'social conditions' of South Africa. Strategies that imply a technicist approach, that simply await delivery from above, will surely not come to terms with the complex and changing structures of marginalisation, exclusion and power in South Africa.

## COMMUNITY AND SOCIETY: PEOPLE-CENTRED DELIVERY?

Placed at the heart of the debate are key questions: What do we mean by people-centred and people-driven approaches to policy and government? What is our development path? Can South Africa provide pointers beyond its own specific experiences, to enhance the complex struggle for developmental impact internationally, where there are so many expectations of (and good wishes for) the South African social experiment?

It would be unfair to expect to find all the answers to these questions in the brief set of discussion documents intended for the ANC National Policy Conference. Indeed, these documents are also part of a series, to be read with other documents such as those on Strategy and Tactics, the macroeconomic framework, workers and unions, morality, and so on.

But within the social sector documents, we would expect to find powerful resonances from these documents. How does the range of policies, set up across all the documents, impact on the society itself? And looking at it the other way – how do perspectives on the role of the people in change impact on the approaches to policy in the range of other areas? Here, surely, there is enough mandate for the social sector to provide a defining glue and central intellectual coordinating point to run right through all the documents. We would expect to find a refined argument and a detailed set of challenges about communities and society at the very least.

Getting these things right is very important. Holding high hopes on the ANC is also legitimate. Few would dispute that the ANC has to hold together a disparate, spread, varied and complex set of relations and stakeholders with different expectations and perspectives. The success of the ANC in this is crucial to the success of South Africa as a nation. So high hopes are not unfair or illegitimate.



## MISSED OPPORTUNITIES

The opportunities of the Policy Conference in June and the 52<sup>nd</sup> National Conference in December are indeed crucial turning points or markers in the evolution of the ANC and the country as a whole.

On these criteria, it has to be said, the proposals on 'Social Transformation' are a deep disappointment. While there are verbal calls to terms such as 'people-centred', a 'caring society' and 'social solidarity'; while the proposals say education and health 'must be prioritised as the core elements of social transformation' and thus appear to define a strategy; while a range of topics from education to land reform to social security, housing and youth are tackled – the reader will struggle to find the unifying thread or central argument that drives the ANC's approach to the people and to social transformation.

It is not so much that what is said is wrong or misdirected. Indeed the central programmes of government may well be sound. Rather, the document and proposals are bland, uncritical, unformulated and unchallenging. Everything that a document like this should not be.

It looks like comrades in the various ministries or departments were given an instruction to draw down from official policy documents. This they have done in a random way that includes various successes or key programmes (some of them). There is little by way of helping the reader or activist understand why this or that might be the important interventions; or what has been left out and why. The actual base problems and social issues to which these programmes are addressed have been left unexplored. What is the basis or need for change, and how was it expected particular interventions would make a difference? Lastly, what has been the actual and honest experience in terms of real dynamics on the ground?

All of the said drafters (probably being medium-

level departmental officials) approached matters cautiously. As a result, their pieces are actually less challenging even than official government assessments are of their own work (Just look at Naledi Pandor's own recent budget speech for an acknowledgment of social problems and issues, and a statement that 'we are not where we want to be'). It is as if the drafters did not want to offend anyone in their departments and ended up being super-cautious, for no good reason really.

The cumulative effect of this is a bland, uncritical document. How did the centre/compiler decide the key issues and approaches and themes to be examined in the report and proposals? Based on the document, no one seemed to have any idea; there probably wasn't any discussion to set up criteria. This is a key weakness. Yet no one seemed to notice – it is as if once the instruction went out to draft the various reports, they were simply assembled somewhere (with a brief introduction that makes the right rhetorical allusions). As if social change is the sum of its parts. Even these parts were barely brought together or cross-referenced. By all appearances, at the centre, there is no approach, no analysis, no vision, no drive. No central coordinated thrust. Possibly no one who cares.

## CONFUSION AND LAPSES

These confusions and lapses by the ANC open wide the space for all sorts of other claimants and 'pretenders'. The blandness and confusion around the ANC's own understanding of social transformation and the role of the popular masses in this helps in analysing many of these social phenomena. Whether one wants to understand why tiny social movements have continued to make the cut, despite their historical limitations and over- 'inspiring' analyses; if one wants to understand the multitude of random and desperate uprisings against service delivery that characterise communities left to their own devices without strategies and with slipping

*Social policy needs to put the people centrally in the life and decisions of the nation*

hopes; or if one wants to understand why over-dramatic anti-globalisation rhetoric continues to make the headlines with dire claims and simplistic formulations, (claims about the grip of class projects and plots lead to a government that is 'Nazi', dictatorial and anti-poor, etc); then read no further than the ANC social proposals.

One doesn't have to say that things are worse in the new South Africa. Indeed, a careful analysis can do much to help focus the mind and avoid the pitfalls of over-ideologised simplification. The government's own analyses, such as the Ten Year Review, show that the situation is complex. The social wage (housing, health care, electricity, etc) is one component of improvements. But some have lost and others have gained. Many of those able to access the new opportunities have been those with social capital already to hand – so who is left behind, how, when, what can be done? Putting aside the rhetoric of poverty surrounding the public service strike, it is clear jobs have been created, new social groupings have advanced and gathered momentum, social grants have worked to stabilise and protect rural families.

All this in a rapidly changing, heaving, complex world. A world and country of new discourses, instant communications, new threats such as terror, race, religious and cultural polarisations, industrial destruction and dynamic expansion, deep and systematic diversity: all these would make for a challenging analysis and a bouquet to any movement even mildly able to bring these disparate elements together. The current nature of poverty, class, race and identity, is going to be difficult for any analysis.

So a set of punchy, assertive ideas to hinge discussion around, a sketch of social policy in an era of mobilisation, globalisation and civil society involvement, is an important contribution to progressive politics in the new millennium. What is the role of social development in relation to growth, unity and social cohesion?

What have been South African experiences of these issues? What can we learn about democracy, transition and social change? When have policies worked, and when have they merely revealed unintended consequences? When did we expect too much from a single policy (such as land restitution); and when do policies and programmes appear to be in the doldrums (such as land redistribution or the N2 Gateway)?

What we wind up with is a mish-mash or list of programmes, usually praised uncritically, superficially analysed, not always comprehensively presented, and with little clarity on which are the key drivers. This is really an add-on document with a few nips and tucks and no central thrust. What are the reasons for blockages, especially in coor-

dination? What could government do better? What can be said about the role of civil society and communities of interest?

#### WHAT MAKES A DIFFERENCE?

There is very little discussion of the depth or interrelation of the problems – for example, reading the section on education, the extent of drop out, the serious problems of quality and poor outcomes, the social impact of two divided school systems, barely feature. Across the various sectors, there is the same approach. While there is no need to get dragged into crisis mode and hysteria, if there is no real problem, why bother at all?

Perhaps it is simply a case of charity. Vulnerable groups need the help of society. This shows we care. Social disintegration needs no further complex discussion and solutions can be reduced to moral exhortation. Thus, in a brief flourish, the whole debate on the Basic Income Grant (BIG) can be dismissed "in the context of our challenges as a developmental state rather than against the ideological backdrop of a developmental state". We can hear the claim that the Expanded Public Works Programme (EPWP) caters for those not in the social security net, without problems or issues about the quality of training: be grateful! We can be told blandly "HIV is also a big health problem". None of this is entirely untrue if one wants to be precise and technical and one's only mode is charitable.

Thus there are no criteria for prioritising. Not surprisingly no clear approach to strategic direction can emerge. The recommendations are unstructured and ad-hoc and lend themselves to include unhelpful (if true) blandishments such as that ANC branches should get involved in government's health campaigns against smoking or against walking drunk on roads, and read copies of the National Health Act of 2003.

Sometimes there is too much; sometimes there is too little; but all the way through there is a lack of unifying and guiding principles and approach.

There are precise questions that need to be asked of the ANC. What do the suggested weaknesses in the social sector documents indicate? In all scenarios suggested below, it is likely the ANC does itself a disservice, under-selling its own history and its real practical interventions.

Did the challenges of government and the transition to democracy run ahead of the ANC? In this scenario, the liberation movement is just confused. The world changed too fast and got too complex for analysis to keep up.

Or is it that there is not much coherence or much of a centralised anti-poverty programme, so it is better not to pretend to have a unifying approach? In this scenario, the ANC just lacks a centre, and

has been unable to structure itself to drive the processes in a coherent and planned way.

Is it possible that the ANC just doesn't really care? Why else do the document and the ANC lack vision for the new millennium? In this scenario the poor and their problems don't really have much space in the ideas of the ANC going forward, beyond enough rhetoric and some delivery to keep them quiet. Reading the last section, on youth issues, where the ANC above all should be appealing to new generations, looking ahead, shooting for the stars, developing practical cross-stakeholder solutions, it is quite clear that the third scenario is possible.

On the youth, on the poor, on socially marginalised groups, is it possible the ANC is vague because the liberation movement just doesn't care? These documents unfortunately provide enough evidence or ammunition for someone to justify such an accusation.

Any ANC supporter or patriotic analyst of the liberation movements would be horrified at the implications of this last scenario. Surely, in reality and practice, the ANC is better than this? Surely its documents are actually betraying its own rich history and current concerns and don't really reflect where the movement is at or its current practice?

#### CONCLUSIONS: GOING FORWARD

This short analysis cannot go into the detail of policies in each of the social sectors concerned. We can rather point to two lines of thought to help develop approaches to the issues of social transformation.

The one is the line through the World Summit on Social Development in Copenhagen and the range of development processes led by the United Nations in the 1990s and early millennium. These culminated in the World Summit on Sustainable Development (WSSD) in Johannesburg and the international consensus around the Millennium Development Goals. These arguments show that the participation of poor people is a pre-requisite for growth, that without addressing inequality and poverty, there can be no long-term sustainable path to development. In this scenario, poverty is understood as the lack of social capabilities and capacities to access the opportunities and possibilities of a society moving forward. Building a space for social solidarity, encompassing vulnerable groups, entrenching pro-poor policies, are not simply acts of charity: they ensure the social cohesion, stability and capabilities for sustainable growth and development. In this scenario, the coordination and driving of such pro-poor policies is thus a central feature of all other policies and programmes and

the key to their success. State and society need to work together on the challenges the people face.

The second line of thought is found in the writings of Antonio Gramsci, the Italian Marxist. Not that one needs to be a Gramscian or a Marxist – rather, what is relevant is his approach to active participation of the citizenry in addressing the problems of their lives. It is his refusal to reduce social problems or perspectives to simplistic class propositions, but to understand wealth and class as a hinge around which the great social divides, perspectives and programmes may compete. The poor need to build hegemony rather than be perpetual victims. Constellations of alliances can be built around the complex social exclusions and interests of a wide range of stakeholders. A simple international example is the world consensus that was built around 'Make Poverty History' or, in South Africa, the agreement around the Reconstruction and Development Programme (RDP). Gender is another crucial and slipping arena.

The battle is around how to give content and practical meaning to progressive assertions. Thus, social policy and transformation is not about uncovering class projects or plots, but around building the central national project for development around pillars of positive class and non-class identities.

The ANC documents on social transformation fail to provide practical solutions and trajectories. There is no clear analysis of the social structures as they have been changing in the current era and little critical evaluation of the problems faced by communities at a social level. There is little by way of a unified and unifying set of visions to bring together the nation around a project or key programmes to enhance the participation of people in the South African development path. In the absence of this, there are only ad hoc strategies whose outcomes may or may not be positive (indeed they probably mostly are helpful or at least well-intentioned).

As a guide to strategic analysis, as a set of approaches to mobilisation and to putting the people centrally in the life and decisions of the nation, the Social Transformation documents need a lot more work and rethinking if the ANC is to meet the challenges of the new era and the contemporary terrain.

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# Two steps forward, two steps back

## SACP perspectives on the ANC Draft Strategy and Tactics 2007

*While it undertakes important shifts and improvements in many areas, the draft Strategy and Tactics document fails to properly characterise what we're fighting against and, therefore, how we're going to fight it, according to a critique by the South African Communist Party.*

The South African Communist Party (SACP) welcomes the open and participatory manner in which the ANC has proceeded with the drafting of its Strategy and Tactics discussion document for the 52<sup>nd</sup> ANC National Conference. Generally speaking, the present draft undertakes important shifts in many areas when compared to the Strategy and Tactics document of 1997, and the appended Strategy and Tactics Preface of 2002.

Of course, there are still many matters of detail or of sectoral significance that we believe must be debated, revised, expanded, or otherwise reworked. However, in this intervention we will try not to become embroiled in micro-drafting or in a catalogue of unrelated issues.

Instead, we wish to focus, firstly, on the shifts and rectifications that have been made in the present draft, when compared to the Strategy and Tactics adopted at the ANC's 51<sup>st</sup> National Conference in Stellenbosch in 2002. We will acknowledge progressive shifts, but we will argue that these shifts still remain trapped within an overall approach that fails to provide a strategic perspective on the transformational challenges of our National Democratic Revolution (NDR). This is particularly disappointing, because on a wide-range of fronts our ANC-led government is, indeed, beginning to move towards a much more active transformational agenda. Ironically, the present draft Strategy and Tactics falls behind advances beginning to be made by many government departments, and it therefore fails to rise to the real potential of our current period.

Secondly, we will focus on two overarching matters that go to the heart of the overall weaknesses of the draft document. These are:

- an inadequate approach to the central concept of Colonialism of a Special Type (CST); and

- an inability to spell out what is revolutionary (or, if you prefer, transformational) about the National Democratic Revolution.

### RECTIFICATIONS, BUT STILL A PRISONER OF THE 1996 CLASS PROJECT

The present draft Strategy and Tactics provides some important improvements and rectifications compared to its immediate predecessors, but ultimately the present draft continues to reflect the politics of what the SACP has characterised as the "1996 class project".

It is very important that we do not understand this term ("1996 class project") in a vulgar sense. We should not narrowly personalise it, nor should we imagine that it is some kind of over-arching conspiracy. We should also not reduce the "1996 class project" simply to one policy – for example, government's 1996 macro-economic policy GEAR, as important as this particular package was in the unfolding development of the project. Above all, in invoking this concept, our intention is not to factionalise the ANC, but to win broad support right across the Alliance and within the ANC, including its leadership, for a fundamental return to Charterist NDR values.

Essentially what we mean by the 1996 class project is a variant of right reformism that hopes to "deliver" the NDR through the stabilisation and growth of the capitalist economy as the necessary condition for a "re-distributionist", state-led delivery to the poor. Many comrades actively involved in this approach are sincere. But the fundamental flaw is that this approach imagines the objectives of our NDR can be achieved without the radical transformation of the deeply embedded, special colonial features of our current South African

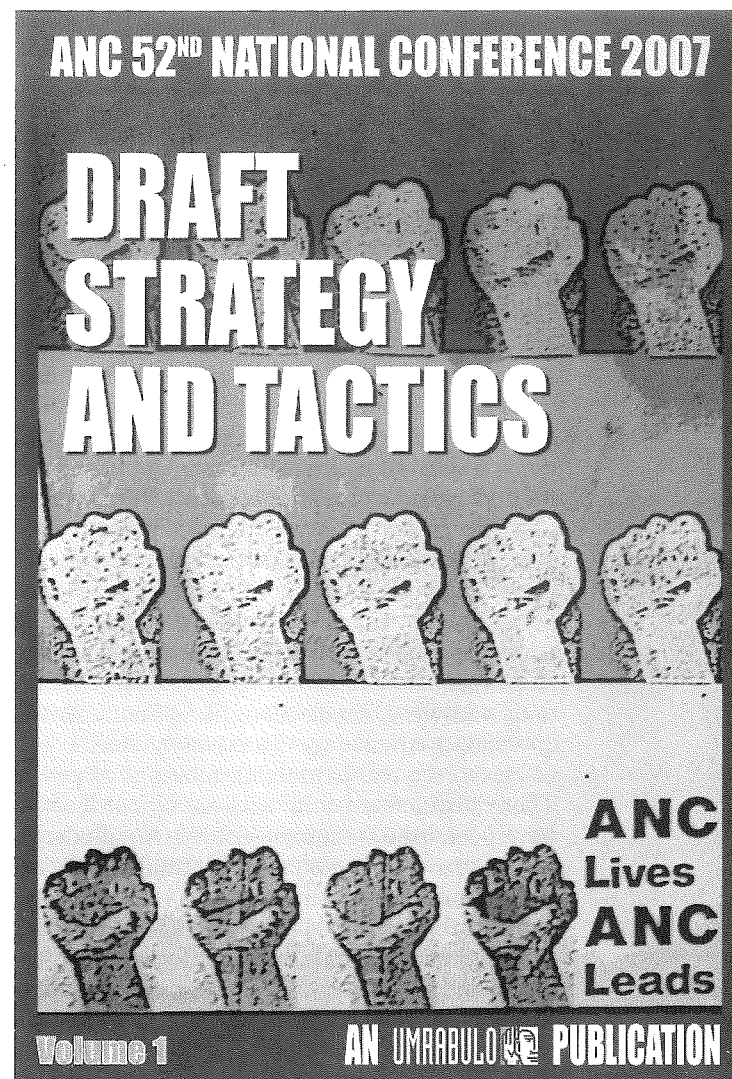
capitalist accumulation path.

In focusing on what we call the "1996 class project" within our National Liberation Movement (NLM), we should also never lose sight of what we might call the "1988 class project". Essentially, this class project is the strategic project that began to be developed by leading echelons of South African monopoly capital (the big mining and financial houses) in the late-1980s. Having benefited from and actively backed white minority rule for over 80 years, by the second half of the 1980s, South African monopoly capital increasingly realised that the apartheid state was no longer able to reproduce conditions for continued profitability. In particular, the apartheid regime's deepening illegitimacy and inability to spearhead stabilising political reforms; the growing economic burden of militarised and security-oriented public spending; the destabilisation of the region; and international sanctions all contributed to capitalist stagnation through the 1980s.

In these conditions, monopoly capital began to explore the possibilities of an elite pact between core leadership of the old regime and of the NLM, with a view to a negotiated transition to some kind of non-racial electoral dispensation. Global developments, especially the dramatic weakening (and eventual collapse) of the Soviet bloc, made majority rule seem a lesser "evil" for monopoly capital than the prospect of continued apartheid stagnation. The "1988 class project" has sought to win the hearts and minds of the leading echelon of the ANC around a commitment to policies designed to restore monopoly capital to profitability, to demobilise the mass-base of the movement, to break the Alliance, and to reconstitute a new political centre around an ANC-elite, established business, and new emerging black business strata.

White monopoly capital in South Africa has, in fact, been the principal beneficiary of the post-1994 period. There is stabilisation and restored profitability, and many of our major corporations have used the period to trans-nationalise, some locating their headquarters outside of South Africa, others re-locating major share-listings to foreign stock exchanges. The post-1994 period has also opened up much greater possibilities for South African monopoly capital within our immediate region and wider continent. The new majority-rule government often engages with these forces as "foreign" investors, which is to say on less favourable terms. In short, the late-1980s monopoly capital strategic project has achieved considerable success.

There has been a significant (but far from complete) congruence, particularly since the mid-1990s, between the monopoly capital class project (essentially a project "external" to the national liberation movement) and the 1996 class project (essentially an "internal" ANC reality). However,



notwithstanding the congruence, the two projects are not identical. In the SACP Central Committee discussion document of 2005, we have argued that, unlike monopoly capital's project, the 1996 ANC class project is now in crisis – both "objectively" and "subjectively". While the crisis of the 1996 project impacts upon the 1988 project, the latter is relatively insulated from this crisis – partly through its transnationalisation and global mobility, and partly through its relative indifference to the fate of the ANC.

The objective crisis of the 1996 ANC class project lies in the fact that the South African capitalist growth path is actively reproducing underdevelopment, and therefore well-intentioned "delivery" without transformation is bound to fail.

The subjective crisis of the 1996 project relates to the multiple effects of attempts to demobilise and reconfigure the ANC and its alliance as the necessary condition for a technocratic, state-led delivery process working hand-in-glove with big capital. We have argued that this subjective crisis is manifesting itself organisationally, morally, and in the crisis of the reproduction of leadership (the "succession" battle).

This subjective crisis is also reflected in the ideological weaknesses and even in a certain flaccid vacuousness detectable in the draft Strategy and Tactics, as we will seek to argue in this intervention.

*The draft Strategy and Tactics circulated to ANC structures and Alliance partners for discussion ahead of the National Conference.*

## TWO STEPS FORWARD, TWO STEPS BACK

The first substantive chapter in the draft document is Chapter II, "Where we come from: streams of an emergent nation". There are some important innovations in this chapter dealing with the early history of our country and region. But it fails dismally to provide an effective programmatic basis for understanding the core concept of Colonialism of a Special Type.

In a Strategy and Tactics document we should be dealing with history not for the sake of embellishment, but to actively guide a programmatic perspective on what is to be done. The draft fails to do this, and as a result we get worthy but entirely vacuous generalisations like: "South Africa's colonial experience was based on the intersection of class, race and patriarchal relations of power. These distinctive social and biological features have been used in human history to exclude, repress and to stymie the progress of individuals and communities."

All of this is true, but it is so vague (did class, race and patriarchal power just happen to intersect?) and so universal in its claims, it is hard to know what actual point it is making about SA, and our struggle.

Chapter III, "Vision of our collective effort: character of the NDR", is also a relatively new innovation for an ANC Strategy and Tactics. It seeks to portray, in general terms, the kind of national democratic society we are trying to build. By portraying a relatively longer-term vision, this chapter is at pains to insist, correctly, that there is a long way still to go: "the liberation movement should avoid the temptation to crow over... successes in these early years as if we had already achieved our ultimate objective". This is perfectly correct, as is the implicit message that *'Aluta continua!'*

However, once more, the chapter is filled with vacuous generalisations about the national democratic society for which we are struggling, such as: "The NDR seeks to build a society based on the best in human civilization in terms of political and human freedoms, socio-economic rights, value systems and identity."

Again, it would be difficult to disagree. But, leave out the reference to an NDR, and then ask which politician from George Bush Jnr to Hugo Chavez would not claim the same?

More concerning in Chapter III are throw-away phrases which indicate an extremely patronising, philanthropic, 'they are humans too', attitude towards the poor unfortunates who lack the upward mobility to escape out of the working class: "Social cohesion in a national democratic society will also depend on the extent to which the rights of those in the lower rungs of the socio-economic ladder

are protected... workers' rights are human rights..."

Critically, for the SACP, Chapter III makes important progress (relative to the recent past) on the question of the ANC's stand in regard to socialism. In line with the position adopted by the ANC at its 1969 Morogoro Conference, for instance, the present draft quite correctly leaves the question open as to whether the national democratic society we are collectively struggling for can be achieved within the parameters of a capitalist society: "Whether such common social decency is achievable under a market-based system in a globalised world is an issue on which society should continually engage its mind. Concrete practice, rather than mere theory, will help answer this question." For a broad-based national liberation movement this is a perfectly correct (if rather vague) formulation. The ANC correctly embraces progressives who are both socialist and non-socialist, and we agree that a commitment to socialism should not be a membership requirement for the ANC, or a point of factional division within the organisation.

However, no sooner has the draft Strategy and Tactics left this matter appropriately open, than it is busy shutting the door once more in the very next paragraph. "The NDR seeks to eradicate the specific relations of production that underpin the national and patriarchal oppression of the majority of South Africans. It does not eradicate capitalist relations of production in general." Two steps forward...two steps back.

There is a great deal of confusion in these formulations. The broad-based, and multi-class unity of the NLM movement is (or should be) based on a common commitment to eradicating the CST features of our persisting South African capitalist accumulation path. Because the draft Strategy and Tactics is unable to clearly portray the systemic features of CST, it is unclear exactly what is meant in the above paragraph by eradicating "the specific relations of production that underpin the national and patriarchal oppression of the majority". It could simply mean de-racialising and en-gendering the otherwise persisting capitalist "socio-economic ladder" - where down "on the lower rungs" life stays the same for the workers and the poor.

It should also be noted that socialism equally (as opposed to a full-blown communist society) "does not eradicate capitalist relations of production in general". Socialism is, however, a society in which production for social need is hegemonic over a still persisting production for private profit. Is a national democratic society not a society in which such a social needs hegemony is dominant? Perhaps we should leave this question to "concrete practice" - but we should definitely not close it off.

Chapter IV is entitled "Progress in changing

society: shifting domestic balance of forces". Again this chapter represents progress relative to the immediate Strategy and Tactics predecessors. It repeats the view that we "are not satisfied with the current order of things". This is an important shift away from earlier tendencies to blandly declare the "NDR on track". What is more, it is said quite correctly that: "It is possible in national liberation processes to mark time, tinkering with social relations under the veneer of formal political democracy. Yet as with all historical phenomena, to mark time is to move in reverse."

This is a profound statement, and the draft Strategy and Tactics finds itself here on the brink of understanding that there are systemic features in our society that are constantly reproducing a crisis of underdevelopment - apartheid is not just an evaporating legacy. But the draft document is unable to state clearly what these systemic features are, and it is unable to guide us clearly with concrete tasks that move us beyond "tinkering".

Some of the reasons for this inability soon become apparent in this chapter. The draft document continuously disconnects the systemic features of our situation, and treats dynamically linked phenomena as if they were unrelated the one to the other. For example, it salutes "the restructuring of the economy which has resulted in higher levels of competitiveness and better access to world markets". But then it notes "a tendency has also developed in the period since 1994 for the informalisation of jobs, contracting out and utilisation of labour brokers". The draft document blandly notes greater global competitiveness, on the one hand, and the informalisation of hundreds of thousands of workers, on the other, as if they just happened to be two disconnected realities.

Later, it condemns "a value system within society that encourages greed, crass materialism and conspicuous consumption". But the same paragraph argues that a "spirit of entrepreneurship, ambition, daring, competition and material reward ... are inherent to a market-based system" and "necessary".

The draft document might have helped its case here if it had systematically unpacked the specific CST features of South African capitalism (including extreme duality, extremes of inequality, etc.) The levels of greed, crass materialism and conspicuous consumption, while being inherent in all capitalist systems, are particularly notable in the specific case of South Africa's capitalist accumulation path. But the failure to effectively analyse the key features of CST, leaves the draft document adopting a sermonising tone, condemning the "excesses" of "crass materialism and conspicuous consumption"... but like a voice crying out in the wilderness. Like the Moral Regeneration Move-

ment, which suffers from the same weaknesses, it is unable to offer a concrete programmatic response to these moral challenges.

Chapter V is entitled "Drivers of Change: motive forces of the NDR". It begins, importantly, to move away from the recent predecessor Strategy and Tactics perspectives on motive forces - where motive forces are defined as any group that has "an objective interest" in the NDR. Since one of our correct slogans has been "A better life for all", everybody starts to become a "motive force". In the new draft Strategy and Tactics we begin to move towards a much more revolutionary/transformational approach to what we mean by "motive force". A motive force is not an accolade awarded to anybody who stands to benefit from the NDR, but rather the programmatic recognition of forces that are capable of driving forward the NDR. In other words, to be a motive force is not an award, it is a revolutionary responsibility. In the new Strategy and Tactics draft, concrete tasks are assigned to key sectors of our society, and the ANC commits itself to mobilising and organising these forces ("blacks in general, Africans in particular", "the working class", etc.) around these concrete revolutionary tasks.

Unfortunately, however, these important steps forward are undermined by nostalgia for the Mafikeng and Stellenbosch version of "motive force". This occurs, predictably, in regard to black economic empowerment (BEE) capitalists. The chapter says that the "deracialisation of ownership and control of wealth and income is in their objective interest. In this sense they are part of the motive forces, with great potential to play a critical role in changing the structure of the South African economy: developing the national forces of production..." We all know that these (numerically minute) strata are certainly benefiting very well from the de-racialisation of ownership and control of wealth and income - but are they contributing to changing the structure of the South African economy? And why do they have "great potential" in this regard?

It notes that the rise of BEE capitalists is "dependent in part on cooperation with elements of established white capital" and that they are therefore "susceptible to co-option into serving its narrow interests - and thus developing into a comprador bourgeoisie". It also notes that BEE capitalists are dependent on "opportunities provided by the state [and] they are constantly tempted to use corrupt means to advance their personal interests - and thus developing into a parasitic bourgeoisie". But if BEE capital is strongly marked by comprador and parasitic tendencies because of its objective, systemic location within an already developed capitalism then how on earth can we also claim that it has

“great potential to play a critical role in changing the structure of the South African economy”?

If the draft document had been able to analyse and distinguish between productive capitalist strata and strata that are just parasitic and comprador, it would have been able to make a better case for a potentially progressive role for some sectors of capital (in terms of developing the forces of production, including job creation, or expanding the national market, for instance). But this potentially progressive role is based on the actual, objective location of different strata, and not simply on skin colour (or party political affiliation). Because it is unable to carry forward an objective analysis of a variety of capitalist strata, and their respective organic tendencies, the Strategy and Tactics draft is unable to effectively provide leadership to emerging (and established) capital.

Chapter VI – “Organisational leader of change: character of the ANC” – introduces new and positive material. In particular, it moves away from a very instrumentalist approach to the post-1994 state. In recent ANC Strategy and Tactics documents the state is portrayed as an “instrument” that “we” must get our hands on. Transformation of the state tended to become merely a question of headcounts and “deployment” of ANC cadres into key positions. In this new chapter, there is much thoughtful consideration about how it is not only “we” who change the state, but it is the “state” that also changes “us”. There is no longer a tendency towards denialism about all the many challenges that any ruling party is likely to face – growing social distance, careerism, patronage networks, bureaucratic indifference, etc.

However, for reasons that we will go on to explore below, the chapter is not really able to state positively and concretely how the ANC will lead the NDR. This is, for instance, very apparent in a paragraph which is where a bare handful of lines is finally devoted to the tripartite alliance: “Historically, the three streams of the national liberation struggle in our country – the revolutionary democratic, the socialist and trade union movements – have found common cause in pursuit of the objectives of the NDR as commonly understood. The ANC will continue to work for strategic unity among all components of this Tripartite Alliance, in pursuit of a national democratic society.”

There is nothing wrong with the sentiments expressed here. But what is the leadership role the ANC proposes to play in regard to its alliance partners? What strategic and tactical role does it seek to foster for these partners?

Chapter VII, entitled “The Global balance: character of the international situation”, re-introduces more forcefully the concept of a global imperialist system, and warns, correctly, of the dangers of

growing unilateralism and militarism. But imperialism tends to be treated rather more as a political phenomenon, and not as a systemic, global capitalist accumulation reality. Are we using the concept “imperialism” because George Bush Jnr and a neo-conservative executive are in power in the US, and would things change systemically under a different administration (which is not to say that it is entirely a matter of indifference)?

This lack of a substantive analysis of imperialism allows for old habits to return. For instance, there is still a residual belief in some wonderfully new “post-Cold War” reality, particularly in regard to Africa. For instance:

“Africa has the best possibility in this milieu to emerge from an era of political and social decline. It can on a massive scale turn adversity into opportunity. A new spirit is abroad on the continent...”

“Most of the conflicts on the continent have been resolved. Democracy is spreading.”

Very important achievements, like the breakthrough in the Democratic Republic of Congo (DRC), or in Burundi, where the South African government has played an outstanding role, must be warmly acclaimed. Obviously we must also reject all forms of racist, and post-colonial Afro-pessimism, but wildly over-optimistic Afro-voluntarism is not a sober alternative.

Chapter VIII – “Steps towards the vision: programme of national democratic transformation” – introduces many positive programmatic perspectives, most of which the SACP itself has been calling for over several years:

- the importance of shared growth (and not just any growth);
- the need for an effective industrial policy;
- the need to transform parliament;
- a commitment to a comprehensive social security system;
- public transport as a key transformational driver;
- an up-front commitment to dealing comprehensively with the HIV/AIDS epidemic;
- a commitment to “land restitution”.

However brief many of these references might be, we obviously welcome their inclusion within the draft Strategy and Tactics. But, as we will now go on to explain, these steps forward remain, essentially, rectification measures within the same basic “1996 class project” perspective.

#### COLONIALISM OF A SPECIAL TYPE

The draft document reaffirms the centrality of the concept of Colonialism of a Special Type (CST) for any revolutionary strategy in South Africa. But the unpacking of the concept is exceedingly weak, often historically inaccurate, and largely descrip-

tive rather than analytic in nature.

The paragraph that attempts to explain the development of CST in South Africa proceeds as follows: “It speaks to South Africa’s strategic geographic location and its vast endowments in mineral and other resources that this geographic entity experienced colonial intrusion earlier than most African societies. Further, the colonial designs of the imperial powers were applied more systematically; the European settlers fought intensely among themselves over the territory; and most of these settlers came to characterise South Africa as their home.”

There are many confusions and inaccuracies in this brief paragraph:

■ Does South Africa have some timeless strategic geographic location? In the period of European sea-borne mercantile capitalism (from the late 15th Century) South Africa, or rather (because South Africa did not exist until the early 20th Century), small colonial port enclaves on the southern Africa coastline, were strategic for colonial merchant fleets on the way to and from the East. While there are some strategic geo-political features in the present, generally speaking our challenge is our non-strategic location – “our distance from our major markets”, as the ASGISA document politely puts it.

■ Early colonial settlement. While many indigenous societies worked local mineral resources (iron ore, copper, gold), it was only in the last quarter of the 19th Century that the colonial powers became aware of our “vast endowments in mineral and other resources”. These “endowments” were not, therefore, the cause of the relatively early and relatively extensive “colonial intrusion” through the second half of the 17th, 18th and into the 19th century (as the draft document asserts). This early colonial expansion into the hinterland was more related to the temperate climate of much of South Africa (like large parts of North America, Australia, New Zealand or Argentina – where there were equally extensive colonial settlements). The draft document only looks at colonialism from an African and not global perspective, and therefore tends to exaggerate the exceptionalism of the South African case. In the earliest period, the winter-rainfall of the Western Cape (unsuitable for the summer rainfall crops of Bantu-speaking African cultures) was also an important factor favouring initial colonial settler expansion. This settler expansion was often (not always) in defiance of the main colonial authorities. Once the expansion entered into the summer rainfall areas, it encountered extremely stiff military resistance. On the so-called eastern frontier, for the better part of a century, the expansion was at an average of only one kilometre a year. In the first three-quarters of

the 19th century, with British colonial hegemony, a British army of occupation was introduced alongside colonial settler expansion. But the military occupation initially had nothing to do with “mineral endowments”. It was seen in London as a costly side-show in a colonial backwater – largely to defend kith-and-kin, many of them settled in the “frontier” regions as a buffer to protect the immediate hinterland of strategic ports, and as a resolution to the social problems of a “surplus population” thrown up by the industrial revolution under-way in Britain.

■ The absolutely decisive turning point in South Africa, and what critically underpins CST, was the mining revolution of the last quarter of the 19th Century. It was a revolution that coincided with and was integral to what Lenin was to describe as capitalism’s “highest stage” – the stage of imperialism dominated by finance capital and massive productive investments in distant parts of the globe. The Anglo-Boer War was directly linked to the opening up of capital-intensive deep-level industrial mining in a hinterland not directly controlled by the hegemonic British colonial power. It was not a war between “European settlers” the draft document seems to claim. It was a war waged by the hegemonic colonial power – Britain – against independent, semi-feudal Boer republics that had the open, or tacit, support of other European colonial powers, such as Germany and Russia.

We have made this brief venture into South African history not for the sake of an academic exercise, but to draw attention, first of all, to two critical features of pre-mining revolution colonialism in South Africa. These are two critical features that have put their stamp on all subsequent history and political struggle in our country:

■ Much like other colonial societies in temperate zones (Canada, US, Australia, New Zealand, Argentina, Chile) there was relatively extensive European colonial settlement based on agriculture in South Africa over several centuries;

■ However, unlike these societies, by the beginning of the 20th Century, the overwhelming majority of the population in South Africa were not of settler (or slave) origin. In early colonial southern Africa, indigenous hunter-gatherer and nomadic pastoralist societies were all but decimated by settler advances (as in the North and South American and Australasian cases noted above). However, the settled, iron-working, agricultural-pastoralist societies associated with Bantu-speaking societies, proved to be much more socially, culturally, economically and militarily resilient, despite suffering huge deprivations in colonial wars of dispossession that often had genocidal intent.

With the mining revolution, it was into and upon this social reality that an extremely advanced form

of capitalism in its "highest stage" was imposed from without. It was highly advanced in its capital-intensity, its deep-level mining technology, its long-distance logistics rail and port networks, its modern joint-stock company institutional form, and its dominance by global finance capitalism. This externally imposed capitalist revolution shaped and was shaped in its turn by the social reality of South Africa at the end of the 19<sup>th</sup> Century – colonially controlled ports, a relatively extensive white community of settler origins, and a surviving African majority largely penned into what were to become "reserves".

Industrial mining in South Africa was built on a "duality". On the one hand, as we have noted, it was associated with the most advanced forms of capitalist development of the period. On the other hand, it also required high levels of labour-intensity – a mass of unskilled workers. This mass of unskilled workers was drawn from "native reserves" as migrant workers. A constant supply of hundreds of thousands of such workers required the coercive squeezing (through military pacification, restrictions on land access, poll tax, hut tax, etc.) of the areas under African occupation and the simultaneous conservation of these areas and of the (now subordinated and perverted) power relations (largely patriarchal in kind) within them. This "conservation" was designed to ensure "indirect rule". The simultaneous coercive squeezing and conservation promoted the conditions for the "cheap" (cheap for monopoly mining capital) reproduction of labour for the mines. In short, the mining revolution in South Africa was based on an articulation between "two economies" – or rather between two modes of production. The one was dominated by advanced monopoly capitalism, the other patriarchal-based agriculture – in which the main "crop" was not cotton, or tobacco, or cocoa, but male migrant labour. These were not "two economies" but rather one economy, one South African capitalist economic growth path, but based on a systemic duality that had both an external dimension (European metropole/African colony) and, increasingly, a dominant internal dimension.

This combination of factors has laid the basis for South Africa's capitalist growth path over more than a century and a quarter. Many things have, of course, changed through the course of the 20<sup>th</sup> and into the 21<sup>st</sup> Century, but the underlying systemic and structural features of CST capitalism persist into the present. In the most general terms these systemic features include:

■ From the late 19<sup>th</sup> Century South Africa ceased to be a largely marginal zone in an emerging global economy. It was now actively linked into the circuits of global capitalist accumulation as a

semi-peripheral zone, and it was launched onto a path of dependent development.

■ This dependent development is characterised by, among other things, an excessive reliance on primary product exports (minerals and agricultural products) and an equally imbalanced reliance on imports of capital goods and manufactured consumer goods, a relatively weak national market dominated by a small middle class; the dominance of the mineral-energy-finance complex to the relative disadvantage of other sectors of capital (eg. manufacturing); and a dual labour market, characterised by a small band of skilled (and now semi-skilled) workers and a mass of marginalised workers (previously largely migrant, now largely casualised, under-employed, 'atypical' workers).

■ Systemic, deep-seated and chronic social, economic, spatial and (throughout most of the 20<sup>th</sup> century until 1994) politico-judicial duality. All forms of colonialism and neo-colonialism are characterised by duality – essentially the subordination of a peripheral/semi-peripheral zone to the imperatives of an external metropolitan centre and its accumulation path. This form of "external" duality, as noted above, has also been a defining feature of modern South Africa. But much more than in most other variants of colonialism, in South Africa systemic duality has also been a pronounced "internal" feature.

This internal duality is, of course, precisely what defined the politico-judicial state form of CST – a ruling colonial bloc and a colonially oppressed majority occupying the same territory – with enfranchised white citizens, and disenfranchised black non-citizens, many of them regarded as black "tribal subjects", etc.

But CST was not just a politico-judicial state form. It was also marked by other forms of duality – economic, social and spatial. These latter forms of duality remain deeply embedded within our present reality.

We believe that there is a whole range of key strategic issues that are inadequately understood and located within the draft Strategy and Tactics as a consequence of a rather vague description of CST. These include:

■ The tendency to reduce CST to one of its underpinning factors: settler colonialism. This tendency (which is to be found in several formulations in the present draft) obscures the much more decisive role of imperialism and of the emergence of South African monopoly capitalism in the development of CST. This tendency to exaggerate settler colonialism can run the danger of ending up in a politics (like that of the Pan Africanist Congress (PAC)) narrowly focused on "restitution", with all of the resulting sterility;

■ The downplaying of imperialism, here and

throughout the document, tends to mean that the document is unable to locate our current growth path as being still sharply marked by features of dependent development. This is ironic because, for instance, the International Expert Panel of Economists has begun to point out precisely many of the systemic features that we have noted above. While government is beginning to actively address these systemic matters through a re-evaluation of macro policy, the development of industrial policy, etc., the ANC in its draft Strategy and Tactics is unable to provide a national democratic revolutionary framework for these new developments.

■ The document tends to reduce CST to apartheid rather than understanding apartheid as a phase within a more prolonged CST reality. The dangers of doing this are apparent, for instance, in: "...fundamental to the destruction of apartheid is the eradication of apartheid production relations. This is more than just an issue of social justice. It is also about the fact that these relations had become a brake on the advancement of technology and competitiveness of the economy."

It is true that by the mid-1980s the apartheid state and its policies were beginning to impact severely on technological advances and on competitiveness (having previously served monopoly capital extremely well by creating conditions for its expanded reproduction for several decades). The structural economic crisis of late apartheid had several features – among them the drain of an increasingly militarised budget; the impact of sanctions and of relative international isolation. These problems were a critical factor leading advanced sections of South African monopoly capital to promote a negotiated transition, to create conditions for restored profitability. This partial coincidence of interest between monopoly capital and the South African NLM was an important and positive factor. But it should not disguise the fact that the national democratic transformational strategic agenda of our movement and big capital's agenda for restored profitability are not (or should not be) the same thing at all. Monopoly capital has little or no inclination to abolish the CST features of our accumulation path. If the document substituted the words "eradication of CST production relations" for "apartheid production relations" then we would be making it much clearer that we are not simply focused on the supposed "deracialisation" of the economy.

In the absence of a more analytic explanation of CST, the draft document is not able to present a coherent analysis of the specific features of patriarchal oppression in South Africa. It tells us: "Our definition of CST identifies three interrelated antagonistic contradictions: class, race and patriarchal oppression. These antagonisms found expression

in national oppression based on race; class super-exploitation directed against black workers on the basis of race; and triple oppression of women based on their race, their class and their gender."

The paragraph asserts the interrelatedness of the three contradictions, but it does not explain how and why they were interrelated within CST. Maybe it was just because whites were nasty? But what is the systemic relationship of these things, and not in general only, but also specifically how and why are they defining features of CST?

The document further says: "Precisely because patriarchal oppression was embedded in the economic, social, religious, cultural, family and other relations in all communities, its eradication cannot be an assumed consequence of democracy..."

This is true enough. But here "patriarchal oppression" is explicitly evoked as a generic reality embedded in "all communities" – which it is of course. And we could say this of all societies world-wide. What again goes missing, however, is the specific, systemic features of patriarchy and their centrality to CST.

Unless we are able to ground our particular strategic transformational challenges in regard to patriarchy within the central features of CST, it will always be an add-on – both theoretically and in our National Democratic practice.

A systematic approach to CST enables us to understand duality (both external and internal) as a single unified process of simultaneous development and underdevelopment – where the development reproduces underdevelopment, and underdevelopment is the condition for the expanded reproduction of a particular developmental path. For instance sustained capitalist economic growth since 1994 of around 3–4% a year and the loss of a million formal sector jobs, and the further casualisation of hundreds of thousands of more workers are not unrelated matters. They are systematically connected to the nature of our post-1994 growth. Likewise, the current balance of payments challenges we are confronting are, ironically, not disconnected from the successful surge of primary product exports that we have seen in the last several years. These are all expressions of a profoundly dialectical process of combined and uneven development located within the CST character of our economic accumulation path dominated by major monopoly interests.

The CST approach helps us to understand that South African capitalism since the late 19<sup>th</sup> Century has not been "immature", or "undeveloped", or "backward". It is not a question of having still to "complete the capitalist revolution" (which is not to say that we should neglect ongoing technical development, for instance). Our key strategic challenge is a different one – it is, precisely, to make a

national democratic revolution. Industrial capitalism was implanted into South Africa "fully formed", "mature" and at its most advanced stage. But, this cutting-edge capitalism was linked into the global capitalist accumulation circuits as a subordinate pole. In other words, the response to duality (both external and internal) is not simply a question of "modernisation", or "catch-up", or "re-capitalisation", or greater competitiveness, or discovering some "stairway" from the "second" to the "first" economy. The NDR is about transforming the power relations that reproduce CST-related duality.

Closely linked to this last point is the tendency throughout the document to think of national/colonial oppression as a form of exclusion (eg. "Black communities...were deliberately excluded and neglected", or "Even more critically, trends do indicate a persistence of the poverty trap – a form of marginalised Second Economy community excluded from the advanced First Economy mainstream", or the common view that pre-1994 "South Africa was excluded from global markets"). But a correct understanding of CST enables us to see that national/colonial oppression is simultaneously exclusion and inclusion.

The mining revolution marginalised South Africa as a semi-peripheral site of mineral production and export, by including South Africa as an active component of the global imperialist accumulation process.

CST national oppression of the black majority both excluded black communities (through a range of juridical, political, spatial, social and economic means) and included them on subordinated terms within a modern capitalist economy and subjected them to the very opposite of neglect, namely minute, daily control by a barrage of coercive measures – compounds, pass laws, group areas, curfews, etc.

In the present, township taverns or the minibus sector are not excluded from the "advanced First Economy mainstream" in any simplistic way. Township taverns are by far the largest South African market for the transnational corporation, SAB-Miller. The minibus industry, apart from being the principal form of mass mobility for the working class commuting into the "first economy", is a major market for Toyota and the petrol companies. In short, the struggle is not for simple "inclusion", or for the mere de-racialisation of access, or for a "re-capitalising" promotion into the "first economy", or for the restitutive provision of slices of action – it is about transforming the power relations embedded in CST.

#### UNDERSTANDING THE R IN THE NDR

The weaknesses noted above in regard to understanding CST are then closely related to an inability

in the draft document to deal coherently with the strategic tasks (especially the organisational and mobilisational tasks) of our national democratic struggle. The problem begins, in part, with an incorrect understanding of the very concept of "strategy" itself. It says: "A national democratic society constitutes the ideal state we aspire to as the ANC and the broad democratic movement. It should thus not be confused with tactical positions that the liberation movement may adopt from time to time..."

And then continues: "This is where the line should be drawn between strategy – the ultimate goal; and tactics – the methods and actions that respond to changing immediate circumstances..."

These formulations establish two categories:

- strategy = our ultimate goal/the ideal state, and
- tactics = methods and actions that respond to immediate circumstances.

However, in earlier decades ANC Strategy and Tactics documents (such as Morogoro 1969) quite correctly always saw three (and not two) interrelated concepts here:

- Our strategic goal – what we might call, following the present draft, a national democratic society;
- Our broad strategy to achieve this goal – what we have called the NDR led by a National Liberation Movement;
- Conjunctural tactics – more time-bound, and more flexible approaches that need to be subordinated ultimately both to our overall strategy and our ultimate strategic goal.

Now, of course, the concepts "goal", "strategy" and "tactics" are always relative concepts, and they can be applied at greatly varying levels of comprehensiveness. A single campaign (elections for instance) will have a broad strategic goal (to win with an increased majority, perhaps), a set of strategies (to prioritise certain issues and certain areas for mobilisation, perhaps) and a range of tactics (that will be deployed in the cut and thrust of the campaign).

However, in a Strategy and Tactics document of this kind we are talking on a much broader horizon and over a much more extensive timeline.

The key point to note is that the draft document collapses our revolutionary strategies into our strategic goal. But our revolutionary strategies are not the same thing as our strategic goal. The NDR itself, the ANC, the Tripartite Alliance, the mobilisation of blacks in general and Africans in particular around their grievances, aspirations and capacities, our understanding of, and approach to revolutionary motive forces – these are all key strategic means to achieving a shared goal – a national democratic society. But the ANC, or the Alliance, or mobilised blacks in general, or the working class are not

themselves "the national democratic society". They are not ends in themselves, but strategic means to achieving our objective.

This confusion obviously runs the grave danger of then reducing key components of our revolutionary strategy into mere tactics – is a broad-based, multi-class ANC merely a tactic? Is the Alliance a temporary tactic? Is our radical progressive African nationalism a tactic? And if so, are they then more or less akin to other "tactical positions that the liberation movement may adopt from time to time, taking into account the balance of forces..."? Clearly this is not the intent of the current draft document, but once again a poor conceptual approach provides an inadequate grounding for an effective elaboration of ANC strategy and tactics.

Having failed to state adequately what has to be changed – owing to a vague and merely descriptive account of CST – and having failed to state adequately how it is to be changed – owing to a conflation of goal, strategies and tactics – it should not be entirely strange if this draft Strategy and Tactics starts to become insecure about who we (the NLM) are. It is in this context that we should understand this statement:

"In broad terms, the NDR seeks to ensure that every South African, especially the poor, experiences an improving quality of life. It seeks to bring together:

- The best traditions of a developmental state, represented by an efficient state that guides national economic development and mobilizes domestic and foreign capital to achieve this goal; and
- The best traditions of social democracy, represented by popular democracy which places the needs of the poor and social issues such as health care, education and a social safety net at the top of the national agenda."

There is absolutely nothing wrong with borrowing eclectically if intelligently from a wide range of relevant experiences elsewhere in the world – but Sweden is not South Korea, and South Africa and the challenges we face, for better or worse, are neither the one nor the other. Having failed to effectively locate the NDR as a struggle against the legacy of CST, the draft document becomes insecure about who we are and seeks an eclectic and hybrid resolution.

It is not difficult to recognise in this Swedo-Korean hybrid the strategic agenda that has been dominant in the ANC and state for the last several

years. It is a strategic agenda that, we believe, is now encountering a series of systemic crises. It is not sustainable. Essentially, the agenda has been one of building an "efficient state" that "guides" domestic and foreign capital to produce "development" (understood largely as growth and improved technical capacity), while at the same time using state revenues for an expanded programme of social delivery that prioritises "the needs of the poor".

There can be no doubts that there has been very significant delivery over the past 13 years. But has there been transformation? The successful return to growth has, by and large, tended to reproduce the systemic socio-economic features of CST, making the well-intentioned delivery effort an unending tread-mill affair. Delivery has been poured into deepening inequality, rising levels of unemployment (now stabilised but at an extremely high level), persisting poverty and systemic duality.

We have to put the 'R' back into the NDR. This does not mean taking off on some voluntaristic leap. It does not mean being reckless about the real balance of global and domestic forces. And it does not mean that we have to make a whole new revolution. The 1994 democratic breakthrough has placed us on the terrain of a struggle for "revolutionary-reforms" or for systemic "transformation". But reforms that are reformist, that improve without transforming the systemic legacy of CST, are simply not good enough. We have to promote transformation that builds capacity for, momentum towards and elements of the "ideal" national democratic society to which we aspire now in the present. But to do that we have to:

- Analyse and explain the key systemic features of CST – what we are struggling against; and
- Elaborate our NDR strategies and tactics – how we will carry that struggle forward.

The present Strategy and Tactics draft document says many things that are entirely relevant to these two key issues that lie at the heart of any Strategy and Tactics perspective. But, for reasons we have tried to explain, it does so in ways that are inadequate.

This article is a response by the **SOUTH AFRICAN COMMUNIST PARTY (SACP)** to the ANC Draft Strategy and Tactics document. It was first published in *Bua Komanisi*, Vol 6 Issue 1, May 2007.

# Inside the Wankie campaign

*The Wankie and Sipolilo campaigns of 1967-8 had a significant impact internationally and within the country, demonstrating to the people of South Africa that the ANC's armed struggle was very much alive, writes Sandile Sijake.*

When the ANC and the Zimbabwe African People's Union (ZAPU) agreed on close cooperation in relation to guerrilla operations, it was understood that the activity was taking the existing solidarity a step further. The relationship between the peoples of South Africa and those of Zimbabwe had from then onwards to be tempered in the fires of the common experiences in the struggle for social, economic, political and cultural emancipation.

In the ANC there had been a long period of unplanned attempts at infiltration of Umkhonto we Sizwe (MK) members back to South Africa. These attempts were mainly focused on finding a route through Botswana. To facilitate the crossing we established a bone milling facility in one of the farms outside Livingstone. The facility worked very well for some time.

However the process of infiltration involved very small groups of one or two at a time. The rate of arrests and interception by the Botswana Paramilitary Police led some of us to suspect that there was a serious leak of information. The second concern was that whatever weapons the cadres carried along ended up in Botswana and there was no way that these could be recovered.

A number of frank discussions were held, mainly with then ANC President OR Tambo. In his absence these meetings would be chaired by Moses Kotane. Moses Mabhida and JB Marks were charged with finding routes other than Botswana. They set up a number of networks that became promising, and were operational.

There was an apparent tendency that some individual leaders placed more emphasis on commercial interests than the struggle for social, economic and political emancipation. These interests manifested themselves in the fact that these leaders set up factories and operated commercial farms mainly in Zambia. Bitter arguments also related to the fact that cadres sent to South Africa were given a mere five pounds to see them through operations, food, transportation and accommodation, to give but a few requirements of any politi-

cal-military operation.

Members of MK appealed to the leadership that they be part of the planning of routes home. The joint operations with ZAPU's armed wing, the Zimbabwe People's Revolutionary Army (ZIPRA), evolved out of this process. We agreed to have a combined venture with the specific understanding that we were to be on our way to South Africa. This took place after MK tried to have similar arrangements with FRELIMO in 1966. This could have been feasible given that at that stage FRELIMO was still operating up to Tete Province north of the Zambezi River.

## THE OPERATIONS

Once the political strategic levels accepted the rationale of undertaking a form of combined operations, a number of corresponding structures had to be put in place to ensure implementation of the agreement. A joint intelligence-cum-reconnaissance structure was established with Eric Manzi (MK) and Dumiso Dabengwa (ZIPRA) as respective leaders. There was also set up a Joint Headquarters (JHQ) consisting of the Overall Commanders, Commissars, Chiefs of Staff, Chiefs of Operations, Chiefs of Logistics and Supplies and a limited involvement of medical officers.

Each of these components of the JHQ had its particular teething problems, some of which it was possible to address, others were to be placed in abeyance, while some had to be wished away. In reconnaissance these challenges led to a form of ad hoc and autonomous activity. All the moves and steps taken were to be balanced to ensure all parties were happy with the process. When the structure of the detachment was assembled each level of authority had to be given serious consideration. It was finally agreed that John Dube of ZIPRA be the detachment commander and Chris Hani the detachment commissar.

In August 1967 a combined force of MK and ZIPRA freedom fighters were seen off across the Zambezi River by Tambo. The force numbered



about 96 men with no maps, and limited dependence on ZIPRA cadres who, although Zimbabweans, had no better clue about that part of their country. The detachment had to rely on compasses for a general direction of march.

When this detachment was to cross into then Rhodesia there were two clear directives. The ZIPRA comrades were to establish themselves in their country as a guerrilla force. The ANC cadres were to head to South Africa and without any particular intention that they should engage the enemy inside Rhodesia except when necessary and as means of self-defence.

Inside Rhodesia the detachment was going to split into two main groups and a third part was going to be a group of two cadres using a train. One company was to head east towards the Matopo Hills, Paul Petersen and two other comrades were to go to the nearest railway station and take a train towards the midlands, and the main body was to move on the western part heading south.

The MK contingent intended to use Rhodesia as a passage home and not to conduct any operations in that country. No one among us knew that the first clashes with the enemy would take place in the vicinity of Wankie.

The members of this first detachment had to learn

on their feet as they could not avoid blunders associated with undertaking such an operation without sufficient means and equipment. The situation was tense. On crossing the Zambezi river the detachment set up its own reconnaissance section. Some of the functions of reconnaissance were to move forward and backwards finding the routes to follow, water points, food, and information on the activities of the enemy.

The going was never smooth. On certain occasions arguments would be sparked by the issue of who must lead the detachment to the point identified by reconnaissance. Most times the ZIPRA cadres in reconnaissance would insist that they wanted to lead. Every time one of them had been given the opportunity to lead, the detachment would end up going astray and never linking up with that small contingent of reconnaissance left ahead to secure a new temporary base.

On the second day inside Rhodesia, the detachment ran out of food, bullets were in short supply and most, if not all, the MK members had about five pounds and not much water. There was no information about the quantities of rations each was going to get until they were on the banks of the Zambezi River and ready to cross.

The detachment reached the first village on the

second day. The small community there gave valuable information to the guerrillas. They indicated that the previous day some soldiers came to their village and said they were looking for guerrillas. They could not remember the number of trucks or soldiers. The leader in that community was a ZAPU supporter and told the detachment that the soldiers did patrols during the day and at night; and their camp was on the other side of the next village. This man was willing to go to a shop owner at the next village and arrange for the purchase of food. The community gave some food to the reconnaissance group for the rest of the detachment.

The reconnaissance group discovered that the shop owner at the second village was also a ZAPU supporter. He gave valuable information about the enemy activities. He told them that all the passable routes converged near the soldiers' camp. After leaving his place the reconnaissance group established that there was a small enemy contingent at that camp. They were seated next to a fire and now and then one of them would go and look along the road intersection and return to the fire. The detachment decided to walk past the camp as they believed they would easily overwhelm the enemy. On seeing the detachment the soldiers ran away, abandoning the camp.

The detachment marched the whole night before deciding to have a long rest. After some rest we noticed that one member from Charlie Company was missing. We searched for him and after about two hours the search was called off and the detachment moved on.

On about day six, the detachment ran out of the food they had bought from the village shop. However, they arrived at a game reserve on the Shashi River valley where they shot a zebra for a meal and provisions. They had some water after having dug in the sand for about one and half metres.

Company B was now to move east in the general direction of Matopo Hills. Their immediate task was to see Paul Petersen to a train station at Dede. They parted with the rest of the detachment that now numbered about eighty guerrillas, heading in the general direction of Wankie.

Early the following day, radio news reports on some battles involving Company B started to filter through to the rest of the detachment. It was reported that one of the battles took more than six hours until the comrades ran out of ammunition. Some were arrested and many died there. Putting the pieces of information together, it appears that when Company B were at Dede station one of them was seen drinking water at a public tap. The enemy got an alert signal and the upshot was that the company was followed until the point of battle.

Similarly, Paul Petersen was followed as he travelled by train. He travelled over Tsholotsho

area towards Plumtree. He apparently realised that he was being followed and got off the train, using a sub-machine gun he cleared the first road block he encountered. From that roadblock he took a motorbike and carried on southwards towards Plumtree. Riding on along the road, he found himself at an even bigger roadblock than the previous one. He opened fire, fighting his way and finally fell there.

On hearing the news of the fighting, the main body of the detachment decided to keep our radio sets on continuously, listening to the news. We moved more in the open with an aim of attracting the enemy, in the hope that they would not concentrate on Company B alone.

In the early morning of the ninth day while comrades Wilie, Modulo and Christopher Mampuru were conducting reconnaissance they spotted a large herd of animals. They followed the animals at a distance of about 200m. This led them to a big pond ahead. They were now cautious and had to consult with the rest of the detachment before shooting any of the animals. Wilie left Modulo and Christopher who decided to remain watching the animals while he went back to consult. They were not going to meet again.

Before Wilie could give any report to the detachment two spotter planes began circling the area of the pond. The detachment took up positions in battle formation as the enemy patrols in the air intensified and ground forces appeared in trucks from the direction we came. The enemy trucks passed the positions of the main body and headed for the direction of the pond. After a few moments gun fire sounded in that direction, apparently Christopher and Modulo engaged the enemy.

The following day, while the detachment was having a rest, it was hurled into action by the sound of an exploding hand grenade. The grenade exploded at the position occupied by members of a section consisting of comrades Berry, Baloi, Manchester, Sparks and Mhlongo. Baloi and Berry died on the spot. Sparks got a bullet through the abdomen and Mhlongo was critically wounded. The enemy was busy shouting: "surrender there is nothing you are going to do".

The detachment engaged the enemy. Their remnants fled from the battlefield leaving behind their dead, maps, supplies and radios. There was one casualty on our side, Charles Sishuba. The members of the detachment got food supplies, fresh clothing, watches and water bottles and used the radios to mislead the enemy. From the maps members of the detachment were able to know about the plans of the enemy and routes they were using.

The disinformation attempts by the detachment proved to be effective, as the enemy acted on the information they received. They ended up one

evening shooting at each other near a water pond. After that incident they changed their radio wave band.

The detachment reached the area of Manzamnyama, and they had a brief encounter with some members of the Rhodesian Rifles, who were predominantly black soldiers. After Manzamnyama the detachment was supposed to veer away from the Wankie Game Reserve. The terrain in the intended direction was sparse and any movement would be easily detected. The enemy was still pursuing the detachment.

During the day, while the detachment rested, the silence was broken by the sound of Halifax bombers pounding the bush area about a kilometre away from the isolated trees where the detachment rested. The bombings started a yellowish fire, characteristic of napalm bombs. After the bombers, the ground forces arrived in their trucks and started to conduct a mop-up operation.

Late the following evening the detachment fought its last major battle with a combined force of South African and Rhodesian soldiers. The enemy was routed and the detachment's casualties include comrades Donda and Jackson Simelane.

The detachment proceeded in the general direction of Plumtree. As they moved they did not realise they had strayed into Botswana. They were arrested by Botswana paramilitary police in small groups as they came across them.

The arrest of the last group more or less ended the Wankie part of the campaign and triggered the Sipolilo phase.

#### SIPOLILO

The JHQ undertook a general review of the Wankie battles and as the news reached Lusaka through Rhodesian citizens working in Zambia and other numerous sources, the main talk in both the ANC and ZAPU circles was that of sending reinforcements. This remained in the heads of the members of the JHQ after the fighting had died out and all survivors had been arrested. The second phase was to follow a different belief and thinking.

The plan for the second phase was based on the assumption that it was important to have a sustainable base inside Rhodesia before starting operations in South Africa.

The second detachment crossed to Sipolilo between October 1967 and January 1968. At the end of December 1967 there were over 150 guerrillas in the bushes of the eastern part of Rhodesia. The number fluctuated as more people joined and a few returned to Zambia.

The second detachment was instructed to establish guerrilla bases inside Rhodesia. They were to

identify a place to set up an internal headquarters with all the necessary components, as well as alternative bases in case of need. Timeous communications with Morogoro and Lusaka (linking to ANC HQ) was going to be maintained by means of a long range multi-functional radio acquired from Germany. The radio was to be powered by means of a generator. The fuel for the generator was to be acquired from Zambia and stores were to be established by the detachment itself.

The detachment was expected to establish a number of arms caches, assisted by a supply group assembled for the purpose. The weapons, rations and uniform replenishment were supplied from Lusaka. Some of the reasons behind supplying the detachment with food and clothing was to ensure that they did not get involved in extensive hunting as that would attract the enemy.

The JHQ in Lusaka left all the main decisions to the command structure of the detachment. Teams visited the front from Lusaka and Tanzania, taking photographs to show that we had a presence behind the enemy lines. At the same time enemy activities started to grow in the general vicinity of the game reserve.

Early one morning in April 1968 the main bases that had been established in the area were the target of intensive bombing. The enemy ground forces followed the bombing. The enemy had learnt from the previous operations the importance of combining air and ground firepower. This attack triggered the clashes that were to last for more than a week, as pockets of the detachment fought in different directions, with the main force fighting towards Salisbury.

A number of comrades died in the battles that ensued, some were arrested and a few ended up in South Africa. There were then two routes to South Africa; some comrades found their way home and finally got arrested, while others were brought home through an agreement between Rhodesian and South African officials.

April 1968 was the climax of what has come to be known as the Wankie campaigns. The significance of these campaigns internationally is that they led to countries like the USA reshaping their policies on Southern Africa. Internally, the South African regime formulated the notorious Terrorism Act. The masses of our people became aware that the ANC was very much alive and still the main political vehicle for social, economic, political and cultural emancipation.

**SANDILE SIJAKE** was a member of the Luthuli Detachment of Umkhonto we Sizwe.

# The origins of South African unity

*Though it received barely a mention in the press when it was signed 60 years ago, the Three Doctors' Pact marked an historic milestone in the advancement of racial unity in South Africa and deeply influenced a generation of young activists, writes Kader Asmal.*

This year marks the 60<sup>th</sup> anniversary of the signing of the Joint Declaration of Cooperation between the ANC and the Transvaal and Natal Indian Congresses. It is one of those ironies of history that events apparently barely significant when they happened are later seen to mark a decisive moment in the history of a nation. Such is the case with this declaration. Deemed hardly worthy of mention in the newspapers of the day, six decades later, the declaration's full significance is clear, as reflected in the ANC's January 8<sup>th</sup> Statement 2007 which referred to the pact as an "historic milestone".

The Three Doctors' Pact, as the declaration became known, was named after its three signatories, Dr Alfred B Xuma of the ANC, Dr Monty Naicker of the Natal Indian Congress (NIC) and Dr Yusuf Dadoo of the Transvaal Indian Congress (TIC). Together they ushered in a new period of cooperation and unity among the oppressed and dispossessed people of South Africa. For the pact marked the moment that the marginalised and oppressed South Africans made common cause across the colour line. Unity would form the core of the struggle in the decades ahead, leading directly to the congress movement of the 1950s, the Defiance Campaign and the Freedom Charter.

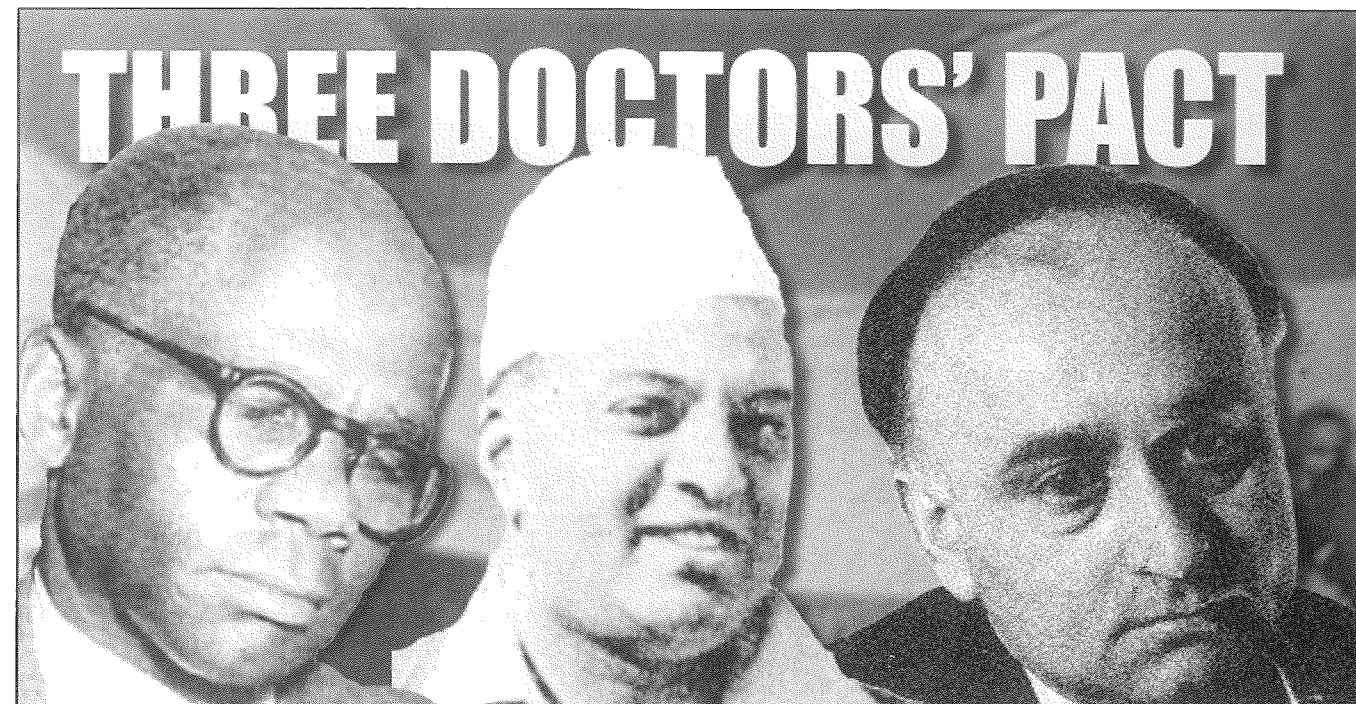
The Doctors' Pact is therefore a real milestone in the history of non-racialism and unity in South Africa. Sixty years later, it continues to nourish our young democracy and is the counter to ethno-chauvinism of one kind or another. It deeply influenced my generation of South Africans. The roots of such a need for racial unity against rank racial oppression and colonialism go back to the 1920s.

The importance of inter-racial unity in the face of oppression was first stressed by South Africans in 1927 at the International Congress against Imperialism in Brussels. The South African delegation, consisting of Josiah T Gumede, President of the ANC, James la Guma, a coloured leader in the Communist Party, and Dan Colrairie, a white trade

unionist, drafted the historic 'Thesis for the Defence against Imperialism in South Africa'. This thesis insisted that unity of all workers and oppressed people in South Africa, irrespective of race, colour or creed, was vital for the struggle against British imperialism. This show of unity so impressed Jawaharlal Nehru, who was representing India at the conference and who later became the first prime minister of a free India, that he commented in his report to the Indian National Congress: "In these days of race hatred in South Africa and the ill-treatment of Indians, it was pleasing to hear the representative of the white workers giving expression to the most advanced opinions on the equality of races and of workers of all races."

Nehru was a strong advocate of unity and he had opportunity to engage the South Africans further at the 10<sup>th</sup> anniversary of the Bolshevik revolution in Moscow. Upon his return to India, he recommended that Indians in Africa cooperate with Africans and not claim special privileges "denied to the indigenous inhabitants of the country", a truly revolutionary approach in contrast to Gandhi's mobilisation of Indians only. Yet for the next decade, South African Indians were represented by moderates who sought to appease the racist government, which spurned every overture made by these merchants to protect 'Indian' interests.

By the end of the 1930s, however, a new generation of activists was agitating for more militant action. New multi-racial political associations were formed, such as the Non-European United Front founded by Cissie Gool and Yusuf Dadoo. Inspired by Gandhi's satyagraha campaigns in India and Nehru's staunch anti-colonialism, this generation advocated a more radical approach to politics, including mass mobilisation. Around the same time, it was through the Liberal Study Group that Monty Naicker, a young doctor and ardent follower of Gandhi, became involved with the Indian trade union movement, before going on to establish



the Anti-Segregation Council.

By 1945 the triumph of the radicals was complete. Dadoo, a staunch anti-fascist and communist, had become a national figure and a thorn in the side of the Smuts administration. In that year, Naicker was elected President of the NIC and Dadoo President of the TIC. Thousands of enthusiastic Indians, young and old, rallied in support of this new alignment, as I recall from my school days in Pietermaritzburg.

Both Naicker and Dadoo were strongly influenced by the uncompromising anti-colonialism of the Indian independence movement and identified with Nehru's insistence that the struggle in South Africa was not merely an Indian issue: "It concerns ultimately the Africans who have suffered so much by racial discrimination and suppression. It is a struggle for equality of opportunity for all races and against the Nazi doctrine of racialism."

"Therefore," Nehru concluded, "the Indians in South Africa should help in every way and cooperate with the Africans."

Cooperation had precedents. During 1944 Xuma and Dadoo led an anti-pass campaign. In 1946, a South African delegation comprising Xuma, HA Naidoo, Sorabjee Rustomjee and Hyman Basner travelled to New York to place their grievances before the United Nations, lobbying against new anti-Indian legislation by the Smuts administration. During that time, Anton Lembede of the ANC Youth League and Yusuf Cachalia, Secretary of the TIC, discussed closer cooperation. When Xuma returned, the framework for cooperation was in place.

The pact declared that "for the future of progress, goodwill, good race relations, and for the building of a united, greater and free South Africa, full

franchise rights must be extended to all sections of the South African people, and to this end this Joint Meeting pledges the fullest cooperation between the African and Indian peoples and appeals to all democratic and freedom loving citizens of South Africa to support fully and cooperate in this struggle..."

The pact in many ways highlighted the period of radicalisation of Indian politics in South Africa and contributed enormously to raising the political consciousness of my generation. Ultimately, the pact set in motion a train of events leading to the mass protests that galvanised resistance during the 1950s. At Dadoo's funeral in 1983, ANC President Oliver Tambo paid tribute to "a true patriot" who "understood already in the thirties that the struggle in South Africa is part of a much wider struggle against [racial] capitalism, colonialism and for national liberation, peace and social progress."

The uniqueness of the pact cannot be exaggerated. In historical terms, it must be one of the first occasions when a minority made common cause with a majority, not to seek concessions for itself, but freedom for all.

As we commemorate the 60<sup>th</sup> anniversary of the Doctors' Pact, we pay tribute to Xuma, Dadoo and Naicker, whose political acumen, farsightedness, commitment and perseverance unified us in a common struggle against tyranny and oppression. It is a legacy affirmed in the preamble to our constitution, that South Africa belongs to all who live in it, united in our diversity. It is a legacy that we ought to celebrate and enjoy every day.

**KADER ASMAL** is a member of the ANC National Executive Committee.

*Unity in action... Celebrating 60 years of the pact signed by Drs Xuma, Naicker and Dadoo.*

# 'A shared commitment to a new South Africa'

*It is now twenty years since the meeting in Dakar, Senegal between the ANC and a delegation of mainly Afrikaans-speaking South Africans from within the country. As reported in an article in **Sechaba** at the time, which we publish in full below, the ANC delegation used the opportunity to explain its position and to demolish some stereotypes.*

A meeting of 61 mainly Afrikaans-speaking whites and coloureds met with a delegation of the ANC in Dakar, capital of Senegal, from 9-12 July 1987. These Afrikaans speakers were organised by Dr Van Zyl Slabbert, director of the Institute for a Democratic Alternative for South Africa (IDASA) and the French socialists.

They came to Dakar because they wanted to meet the ANC. They came to see the ANC because they had questions to ask; and they were not a homogeneous group, they were not unanimous on anything and they represented nobody. Their politics ranged from right-wing to United Democratic Front (UDF) positions.

One of the most contentious questions was that of armed struggle, which most of them did not favour. Discussions surrounded questions connected with post-apartheid South Africa, non-racialism, economic development and the women's question. Though there were many points of difference, the atmosphere was calm, peaceful and polite. The ANC delegation managed to use that opportunity to explain our position and to demolish some stereotypes.

The Dakar meeting was important for another reason: it revealed the whites' ignorance, brainwashing, sense of guilt and fear for the future. The whites are afraid of the coming revolution; they are vulnerable to right-wing pressure, and insulated by apartheid from progressive pressure.

The women's question was raised by the ANC delegation – the delegation from home had only three women, who were wives and girlfriends of the men. The Dakar meeting was a success precisely because it was not conceived as a prelude to or preparation for another meeting, or an opposite of armed struggle. It was not an historic

meeting – it was like any other meeting the ANC has held with people and organisations from home. The nervousness which the apartheid regime has shown to this Dakar Conference is an indication of the insecurity of that regime. In Dakar, it became clear that the whites need the ANC for their own future security. Black and whites can live together under conditions of complete equality. The policy of the ANC of permanent and temporary allies in the prosecution of our struggle needs to be explained to all the genuine supporters of our struggle.

This meeting took place before the assassination in Swaziland of Comrades Cassius Make and Paul Dikeledi by the murderers of Pretoria; before the daring acts of Umkhonto we Sizwe in Cape Town and Johannesburg; before the strike by the militant mineworkers – a strike which was called by the National Union of Mineworkers, and which, at the time of writing, was still going on. The detention of children has not stopped; the frontline states are being threatened; Pretoria's death squads are kidnapping our people in the frontline states, sentencing them to death, and shooting miners. What we are saying is that the Dakar meeting was an aspect of the struggle to isolate the apartheid regime and the struggle to defeat apartheid.

We agree with Murphy Morobe, acting publicity secretary of the UDF, who said that the clear message emanating from Dakar vindicates the UDF position that the ANC must be part of any genuine attempts to resolve the crisis in South Africa. The struggle is on now, and it must be intensified on all fronts: we must confront the enemy on all fronts.

This is what motivated the ANC to agree on going to Dakar. We are not against talks as such; we

have one item on the agenda: how to dismantle apartheid. All else must be subordinated to this central idea. Otherwise, such meetings become inconsequential and irrelevant.

Below we reproduce a joint Declaration of the Dakar meeting, which was adopted and endorsed almost unanimously.

## DAKAR DECLARATION

"A Conference organised by the Institute for a Democratic Alternative for South Africa (IDASA) took place in Dakar, Senegal, from 9th to 12th July, 1987. The participants comprised 61 South Africans, of whom the majority were Afrikaans-speaking persons who had come from South Africa, and a 17-person delegation from the African National Congress. His Excellency President Abdou Diouf welcomed the participants and gave them exceptional hospitality.

"The participants from South Africa took part in their individual capacities. They shared a common commitment of having rejected both the ideology and practice of the apartheid system. They were drawn from the academic, professional, cultural, religious and business fields.

"Although the group represented no organised formation within South Africa, their place within – particularly – the Afrikaans-speaking communities and the fact that they were meeting with the ANC invested the Conference with an overwhelming atmosphere that this was part of the process of the South African people making history. In similar manner the international community focused its attention on the Conference. Participants could not but be aware that some of the adherents of apartheid regarded the participation of the group as an act of betrayal, not only to the apartheid state, but also to the community of Afrikanerdom.

"The conference was organised around four principal topics:

- Strategies for bringing about fundamental change in South Africa;
- The building of national unity;
- Perspectives with regard to the structures of the government of a free South Africa; and
- The economy of a liberated South Africa.

"The discussions took place in an atmosphere of



cordiality and a unity of purpose arising from a shared commitment towards the removal of the apartheid system and the building of a united, democratic and non-racial South Africa.

"The group listened to and closely questioned the perspectives, goals and strategies of the ANC. The main area of concern arose over the ANC's resolve to maintain and intensify the armed struggle. The group accepted the historical reality of the armed struggle and although not all could support it, everyone was deeply concerned over the proliferation of uncontrolled violence. However, all participants recognised that the source of violence in South Africa derives from the fact that the use of force is fundamental to the existence and practice of racial domination. The group developed an understanding of the conditions which have generated a widespread revolt by the black people as well as the importance of the ANC as a factor in resolving the conflict.

"Conference unanimously expressed preference

*The context of the Dakar meeting as seen in **Sechaba** in 1987.*

for a negotiated resolution of the South African question. Participants recognised that the attitude of those in power is the principal obstacle to progress in this regard. It was further accepted that the unconditional release of all political leaders in prison or detention and the unbanning of all organisations are fundamental prerequisites for such negotiations to take place.

"Proceeding from the common basis that there is an urgent necessity to realise the goal of a non-racial democracy, participants agreed that they had an obligation to act for the achievement of this objective. They accepted that different strategies must be used in accordance with the possibilities available to the various forces opposed to the system of apartheid. They accepted that in its conduct this struggle must assist in the furtherance both of democratic practice and in the building of a nation of all South Africans – black and white.

"It was accepted by the two delegations that further contacts were necessary. Equally, it was

important that such contacts should involve more and wider sections of the South African people in order to dispel misunderstanding and fear, and to reinforce the broad democratic movement.

"Conference expressed profound appreciation to His Excellency, President Abdou Diouf and the government and people of Senegal for the warm welcome extended to the delegates as well as the assistance afforded to them to assure the success of the Conference. It further expressed gratitude to Mrs Danielle Mitterrand for her assistance in organising the conference and extended thanks to all other governments and individuals who contributed material resources to make the Conference possible."

This article appeared as an editorial, entitled 'Apartheid nervousness over the Dakar meeting', in the September 1987 issue of **SECHABA**.



## From a proud history to a confident future

### *Impressions from a visit to Vietnam*

*The peoples of Vietnam and South Africa not only share a commitment to the principles of freedom and unity, but also a common determination to build bonds of solidarity and progress particularly among the countries of the South, writes Ronnie Kasrils.*

Early last year I had the unique privilege of visiting the Socialist Republic of Vietnam. Although this was my first visit, I nevertheless felt like I had come home. This is because despite the vast geographical distance between our two countries, we share a common bond, which not only bound us together in solidarity through centuries of struggle, but which also equally binds us today in our collective efforts to fundamentally transform the lives of our people and in so doing create a better world.

Legend has it that Vietnam was created by the harmonious union of Iac Long Quan, who was the King of the sea, and Au Co, who was the Princess of the mountains. However, life for the 80 million people of this great land – which extends like an 's' across the length of the Indochinese Peninsula, covering some 1,500 kilometres from north to south – was not always quite as harmonious as the legend of its origins suggests. The true story of Vietnam, at least until the latter half of the 20<sup>th</sup> Century, has been one of unwavering resistance to foreign occupation.

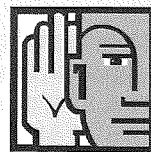
It is for this reason that throughout the visit the

powerful statement "nothing is more precious than a country's independence and freedom" – made by the revolutionary icon and first president of a united Vietnam, Ho Chi Minh, which had sustained us during some of the darkest periods of our liberation struggle – once again resounded loudly in my thoughts. I was therefore exceptionally moved when I was greeted by this very statement from one of his closest comrades in arms, General Vo Nguyen Giap, whom our delegation had the distinctive honour of meeting.

#### **HISTORY OF RESISTANCE**

Indeed, the battle for Vietnam's "precious independence and freedom" began from its inception. From 111BC onwards the Vietnamese resisted the rule of successive Chinese dynasties. What is especially noteworthy about these rebellions is the prominent role played by women, who like the South African women of 1956, are celebrated for their significant contribution to the cause of freedom. Women are also acknowledged as the first true Vietnamese patriots, as illustrated by the courageous actions of the Trung sisters, who in 40AD

## AN INVITATION TO UMRABULO READERS



**READERS OF UMRABULO** are invited to submit articles for publication in the Readers' Forum section. Articles may cover any topic considered relevant to the purpose of Umrabulo, including responses to previous articles. When submitting articles, please consider the following:

■ Readers' Forum articles should be between 1,500-3,000 words in length.

■ Umrabulo is aimed at a broad range of people within the ANC and democratic movement, but especially at branch members. Contributions should therefore use plain language. Jargon should be avoided, and specialist terms should be clearly explained.

■ Contributions may be submitted in any South African language. Until resources permit otherwise, however, articles are likely to be translated into English for publication.

■ Articles should be submitted together with the name and contact details of the author.

■ Articles may be submitted by e-mail, fax, post or by hand.

■ The editor may edit any contributions for length or to ensure clarity.

■ The Editorial Collective reserves the right to decide whether or not to publish a contribution.

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are credited with leading a two-year uprising against these invaders. While they were eventually defeated by the Emperor's troops, they committed suicide by throwing themselves into the Hát River rather than submitting to foreign rule.

In 939AD, however, the Vietnamese were able to claw back their independence from the Chinese, but this sadly did not last. From the mid-1800s well into the 20th Century, they were subjected to French, Japanese and American occupation. It was only after the humiliating defeat of the American forces that they were finally able to achieve the lasting independence that so many generations had fought and yearned for. In 1975 all Vietnamese people were officially once again re-united under one banner, the Socialist Republic of Vietnam.

This courageous history is immortalised in many impressive museums that have been established throughout Vietnam to trace the long and difficult journey travelled by the people to reclaim the mythical harmonious union that had given birth to their country. And General Giap, who played a leading role in Vietnam's triumphs over the French and Americans, embodies the proud legacy of this resilient nation.

In his 90s, his small and delicate frame betrayed what is in reality a great colossus of a man. His legendary status is exemplified by his role as the chief architect of the famous victory over the French at the 1954 battle of Dien Bien Phu, where the Vietnamese overran the beleaguered French garrison in a 57-day siege, which finally marked the French withdrawal from Indochina.

The resounding defeat of the powerful and well-resourced French troops by the guerrilla forces of the Vietnamese, who were armed with a love for their country and a strategy of protracted warfare that drew on the ingenuity and support of all their people and that of the former Soviet Union and a liberated China, served as a powerful symbol of hope to oppressed peoples the world over. According to General Giap, this approach was not new but was borne out of their concrete experience, drawn from many years of brave struggle.

We began to understand exactly what he meant when contemplating the beauty of Ha Long Bay, which boasts countless islands containing cavernous grottoes that, while today are protected as a UNESCO World Heritage site, in the past served to protect Vietnamese patriots who used their extensive knowledge of this natural environment to shield themselves from enemy encroachments. This was also the site from where the Vietnamese repelled three successive Chinese and Mongol invasions from the 9<sup>th</sup> to 12<sup>th</sup> centuries.

When standing on the banks of the Bach Dang River, whose tributaries flow directly into this majestic bay, we heard how, acting on the informa-

tion of a tea vendor who had insight into the movement of the tides, the Vietnamese troops placed a series of iron tipped wooden stakes into the river bed at low tide, which would be hidden from view by the rising water at high tide. A small Vietnamese flotilla then lured the Mongols towards the riverbed just as the tide was beginning to ebb and their large fleet was impaled and ultimately destroyed by these inventive stakes.

This strategy was brought home to us on our trip to the Cu Chi District, which is situated close to what was formerly American-occupied Saigon, renamed Ho Chi Minh City following Vietnam's independence. This district is most famous for its vast 250 kilometre network of underground tunnels that served as a vital factor in securing the Vietnamese victory against the American forces.

While I doubted my ability to navigate the tunnels given my size and their apparent narrowness, I nevertheless took the plunge, especially since I could not be outdone by my wife, who dived in with alacrity, or Comrades Mosiuoa Lekota and Essop Pahad, who had managed this feat on their earlier visits.

We were amazed at what we found. These were much more than simply tunnels; they constituted what appeared to be whole underground bases. They were not only safe sanctuaries, but also served as effective fighting bases, where even if a village was in enemy hands, those located in the tunnels below it were able to conduct successful offensive operations to reclaim the occupied territory.

Most remarkable of all was the fact that these tunnels were built by the villagers in the surrounding areas, who each discharged their duty in defence of their country by digging the requisite quota of three feet a day. Construction on the tunnels began in the early 1940s, when Vietnam was under French occupation and was completed in the mid-1960s, during the conflict with the Americans.

While General Giap's warmth, kindness and humour, which set the tone for our unforgettable interaction, are reflected in the wonderful demeanour of the Vietnamese people more broadly, what remains hidden from view is the great suffering that they encountered through the many painful years of their protracted struggle for independence, which touched them individually and collectively.

For example, we learnt of the extreme brutality meted out by the French at the Hoa Lo Prison, which they constructed in 1896. It was here where the Vietnamese were subject to unimaginable methods of torture – captured on the large bronze artwork that adorns the wall – which I, subsequently read, claimed the life of General Giap's first wife who was imprisoned there. I saw the guillotine room, with all its original equipment where many Vietnamese were summarily execut-

ed, together with the small cramped spaces masquerading as cells where they were held in leg irons.

### SPIRIT OF PATRIOTISM

It is this experience that resonates so clearly in the patriotism displayed by the Vietnamese people. It is this that underlines Ho Chi Minh's statement about the value of independence and freedom and General Giap's reminder of the importance of safeguarding these most cherished qualities.

As a result, the Vietnamese people do not simply sit back and passively wait for the fruits of their freedom and independence. This is evident throughout the country, where in the bustling cities every available space is taken up by vendors; where large specialised markets sell locally produced goods such as crafts, ceramics and silk; and where the streets belong to the thousands of mopeds that weave their way through the busy traffic, expertly balancing their load, which often consists of entire families together with their livestock and goods. Similarly, in the rural areas the people, wearing the trademark conical bamboo hats, are hard at work tending to their rice paddies or ploughing their fields.

This has been strengthened by the wise teachings inculcated by Ho Chi Minh, General Giap and the Party leadership, which remain the firm base on which the society rests. Like their ancestors who contributed to national liberation, the Vietnamese people today view themselves as the very root of their nation and the main contributing force for national reconstruction. They understand that "only when the root is firm, can the tree live long... [where] victory is built with the people as the foundation".<sup>1</sup>

The people are therefore at the very centre of driving the wide-ranging socio-economic reforms that were introduced in 1986, through the innovative Doi Moi renovation process. The major component of this process has been to move the country away from the rigidities of a centrally planned economy to a market orientated one with a socialist orientation. This is associated with the implementation of an open-door policy to facilitate foreign investment and Vietnam's integration into the global economy. As a result, Vietnam boasts sustainable and rapid development, which places it on par with China.

In this regard, during the 2001–2005 phase of the Doi Moi renovation process, Vietnam reached and in certain instances surpassed the government's planned targets.<sup>2</sup> A high economic growth rate was recorded during this period, as reflected in the increase in the Gross Domestic Product (GDP) by 7.5% a year. In respect of economic integration the total export turnover reached up to 17.5% as com-

pared to the planned 16%. Foreign Direct Investment reached US\$20 billion, which is 33% over the initial target.

During this phase of the process Vietnam has also made enormous gains in creating a just and stable society with a significantly improved quality of life for all their people. This is illustrated by an impressive decrease in their overall poverty rate, which the United Nations Development Programme (UNDP) ranks as the sharpest decline of any developing country on record.<sup>3</sup> The poverty rate dropped to a low of 7%, life expectancy increased to 71 years, the rate of children at secondary school stood at 97.5%, and the number of vocational students increased 19.2% a year.

### NATIONAL CULTURE AND IDENTITY

Linked to this is the extent to which they have maintained a coherent Vietnamese national culture and identity that has flowered over the centuries and has firmly withstood those negative influences associated with the impact of globalisation. These influences include self-interest, materialism and individualism that President Thabo Mbeki raised in the 4<sup>th</sup> Annual Nelson Mandela Lecture, which run counter to the development of a caring and humane society.<sup>4</sup>

Vietnamese social cohesion, like the motto on the South African coat of arms, celebrates unity in diversity, which General Giap highlighted in our meeting when he praised the very diverse nature of the South African delegation. As a result, the rich traditions of the 54 ethnic groupings making up the country are all promoted to mould what is a collective national culture and identity, which has evolved in tandem with the formation and development of the Vietnamese nation.

This national culture and identity, while influenced by external forces, remains strongly rooted in local foundations. For example, if one looks at the manner in which Marxist-Leninism was brought to the country; great care was taken by Ho Chi Minh to preserve Vietnamese identity and experience, by linking these doctrines with local conditions and the historical ideals of Vietnamese nationalism.

The policies and institutions that developed, rather than adhering rigidly to the specific models of socialism adopted in the former Soviet Union or China, were and remain essentially Vietnamese. This is illustrated by the extent to which the people's socialist beliefs are integrated with their innate spirituality. Throughout Vietnam temples and tributes to the ancestors abound, existing comfortably side by side with socialist icons.

A key element of Vietnamese patriotism, culture and identity is that of international solidarity. This resonated so clearly throughout the trip to Vietnam,

which coincided with the ANC's 94<sup>th</sup> anniversary. General Giap encapsulated this noble spirit when we visited his home by extending his birthday wishes to the ANC and declaring his pride at being just a year younger than Africa's oldest liberation movement.

The struggle of the Vietnamese people greatly influenced the growth and development of the ANC and indeed other liberation movements. If we look back into our history, one of the turning points in our overall strategic approach flowed from the visit of an ANC delegation to Vietnam in October 1978, led by the late President OR Tambo. This visit occupies pride of place in Tambo's biography and was fondly recalled by General Giap who spent some time with that ANC delegation.<sup>5</sup>

The delegation was so impressed with what they saw that on their return, Tambo called for a comprehensive review, which concluded that the Vietnam experience revealed certain shortcomings in our armed struggle and drew attention to those areas of crucial importance that we had neglected.<sup>6</sup> As a result, we incorporated the Five Fighting Factors into our strategic approach – as outlined in the ANC's Green Book – drawn from the success of the Vietnamese struggle.

These Fighting Factors emphasised the need to develop a united and determined people, correct theory and leadership, a just cause and higher morality, international solidarity, and the effective practice of the invincible art of Peoples War. It was this shift in our approach, in conjunction with a number of other key reforms that were introduced at that time, that paved the way for our ultimate victory against apartheid.

Our visit also took me back some years to the days when the ANC was instrumental in building solidarity support for the Vietnamese in their conflict with the Americans. Many January 8<sup>th</sup> Statement's made specific reference to the valiant struggles of the Vietnamese and paid tribute to their determination. I recall my wife with our baby son, together with other ANC mothers and children, engaging in a mothers' protest outside the US Embassy in London. President Thabo Mbeki's chipped front tooth arose from his encounter with the truncheon of a British policeman during one of the many marches against the American occupation of Vietnam. And I will never forget the great excitement and hearty celebrations of 30 April 1975, when we saw the pictures of the tanks of the liberation forces moving confidently into the former Saigon, capturing the presidential palace and finally reuniting North and South once again into a unified Vietnam.

This mutual solidarity, support and friendship continues today. Like our common history of

struggle, we have a shared commitment to development, the fight against poverty and the reconstruction of our respective nations. Our partnerships also extend to our combined dedication to the regeneration of our respective continents, and our collective aspirations for strong South-South relations. To this end our governments have gone well beyond the establishment of diplomatic ties and have signed a number of important agreements to strengthen bilateral cooperation in critical areas.

As the ANC, we must build on our links forged with the Vietnamese Communist Party, as we have much to share and learn from one another. The parting comments of General Giap are instructive here; where in commending our achievements, he called on us to always remember Ho Chi Minh's enduring appeal for unity within the party and among all the people. He stated that "victory stems from unity; the greater the unity the greater the victory; and the greater the unity the greater the number of victories". This valuable injunction must be our guide as we debate the current organisational challenges confronting us.

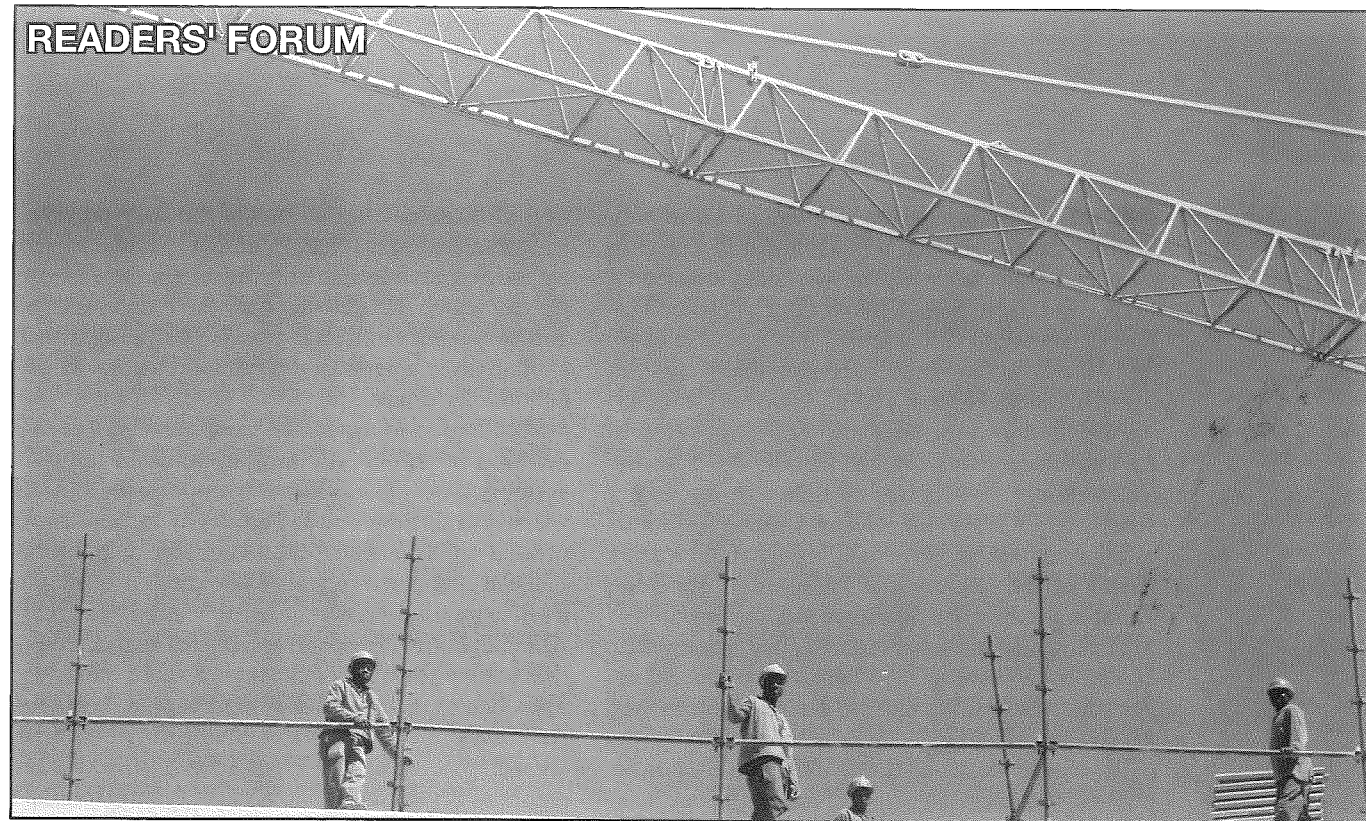
Our rousing farewell to General Giap aptly displays the depth of this fraternal bond. Just before departing from his home we were so inspired that we loudly declared "Viva Ho Chi Minh, Viva General Giap, Viva Vietnam" and the General, not to be outdone, stood with his fist held high and resolutely responded "Viva Mandela, Viva Mbeki, Viva South Africa"! This special moment will forever remain an abiding memory of our time in Vietnam.

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#### READERS' FORUM



## The anatomy of capital and the National Democratic Revolution

*The uneven distribution of wealth in South Africa lies at the heart of our inability to mobilise enough capital to develop our country and thereby increase our level of human development, writes Tshilidzi Marwala.*

Much has been written about capital and about the National Democratic Revolution (NDR). However, not much has been written about the relationship between capital and the NDR. As a movement, it is important for us to understand that the NDR is a goal that will only be fully realised when certain conditions that would position our revolution to be better geared towards reaching the NDR goals are in place. The goals of the NDR are to realise a state where the citizens are collectively politically, economically, socially and intellectually empowered. These goals can only be achieved if as a movement we ensure that our country has access to capital, is able to derive value from this capital and is able to efficiently allocate and distribute this capital. The first step on this journey is to ensure that strategies and tactics are in place that will make certain we are able to mobilise capital, and therefore it is important that we understand the anatomy of capital. The

anatomy of capital means the orientation and the movement of capital and it is the foundation that we need to be able to deploy capital to meet the goals of the NDR.

On dissecting Marxist thought, one realises that Marx's definition of capital is within the context of the industrial age where the optimism of scientific determinism was a tool of analysis. Scientific determinism is a tool of analysis that states that one can be able to understand everything through logical analyses of causes and effects. This thinking led the famous philosopher Isaac Newton to discover the laws of science. It turns out that this mode of thinking is but a special case of a broader and much truer version of thinking, called relativistic thought, advanced by Albert Einstein, which states that everything depends on one's frame of reference. The implication of this on policy formulation is far reaching. From this thinking the following conclusion can be derived: it is more

difficult to plan and manage in detail a complex system, such as society, when compared to giving broader goals and letting the system autonomously manage itself. This is what the famous economist Adam Smith called letting the 'invisible hand' drive the economic process. Given that we live in a post-industrial global age, and that, as a country, we are finding it difficult to make a transition to the knowledge economy, and that the deterministic assumptions of Marxist thought are no longer strictly applicable, is it perhaps appropriate for us as a movement to start engaging what the former leader of the Communist Party of China Deng Xiaoping called the Socialist Market Economy? This should be aimed at ensuring that we mobilise capital by exploiting the efficiencies of the capital markets and ensuring that the derived value is used to advance the NDR.

To ensure that the South African economic, political and social system can autonomously manage itself with a broader goal of attaining the NDR, it is important to ensure that entities that make such a system, and in our case people, are adequately empowered. If we are to cast the conclusion that puts relativistic thinking as an advanced version of deterministic thinking within the context of the NDR, it says that the motive forces of the NDR, which are a set of critical instruments needed to achieve the NDR, must be such that they can be integrated into the collective mindset of the masses and ensure that every cadre at all times knows how to act in a manner that can only advance the goals of the NDR. Anything short of this will sabotage the attainment of the NDR.

The capital of a nation is defined as a measure of its wealth. In classical economics, capital consists of three factors of production and these are land (or natural) resources, labour and goods that are human-made. Few will disagree that these factors are critical for the attainment of the NDR. For example, you cannot intellectually empower the masses unless you have a physical space that would make it possible for an individual to sit and read. Likewise, it is impossible to economically empower the masses unless there is labour to produce goods that can be used to build infrastructure.

### CAPITAL, CAPITALISM AND SOCIALISM

There is often confusion between capital and capitalism. It is important to distinguish between the two. Capital is the collection of all entities that have economic value. These entities can be monetary (like money) or intellectual (like a patent). Without capital, modern society cannot function. Therefore it is important to create capital within an economy.

Capitalism on the other hand is a description of the orientation of a society in pursuit of the creation of capital. This orientation is characterised by individual accumulation of capital and the aggrega-

tion of these accumulations at the societal level leads to an emergent behaviour that is characterised by individualism, the thriving of the law of the jungle, which dictates that only the fittest survive, and sometimes extreme greed. The point is that capitalism is a particular mode and means of accumulating capital.

Socialism also has its tenets, but the goal of the creation of capital is common between the two systems. Socialism, however, emphasises a more socially oriented mode and means of accumulation of such capital and advocates equitable distribution of the accumulated capital. While capitalism adopts a self-organised version of accumulation of capital, which is known in economic circles as the 'invisible hand', socialism advocates a more hands-on approach to the accumulation of capital. It goes a step further by preferring equitable distribution of wealth. The emergent behaviour of this system sometimes includes the loss of individual motivation and distinction, a build-up of inefficiencies due to the extreme complexity of proactively managing a socio-economic system, and what the mathematicians call the Law of Averages, which states that in a socially oriented cooperative scenario there is a tendency to gravitate towards what is normal or average and what social scientists call mediocrity. Mathematical techniques that were absent when Karl Marx wrote his seminal PhD thesis titled "The difference between the Democritean and Epicurean philosophy of nature", now teaches us that self-organisation is the most efficient and robust technique of organising complex systems and therefore of accumulating capital.

To fully understand the anatomy of capital it is important to understand that capital itself is evolving and that it has dimensions. One of the biggest mistakes that movements make is to define capital as a one-dimensional entity. Capital is in fact multi-dimensional. What is even more puzzling is that even though capital is multi-dimensional, it can always be reduced to a one-dimensional entity called currency, such as rands or dollars.

The concept of many in one and vice versa is a complicated philosophical characteristic that has expressed itself in many areas, such as religion (in the trinity concept) or in science (in the dual nature of light). Capital is complex and manifests itself in two dimensions, which are tangible (real axis) and intangible (imaginary axis), as the famous philosopher Bertrand Russell would have put it.

It is imaginary because it is sometimes actualised purely based on perception. An example of this is the stock market, where the price of a stock is determined by its perceived value. The internet giant Amazon has hardly made a profit. But comparing its market capitalisation to some countries' Gross Domestic Product (GDP) gives an idea of how significant perception can be. Such value derived from perception can be converted into real

capital, and be used to politically, economically, socially and intellectually empower the people. Within the imaginary axis of capital, one finds essential entities such as intellectual property, where the ownership of an idea can be converted into real capital.

On the other hand, the real axis of capital includes traditional capital such as land and natural resources. The lesson we can draw from this is that in pursuit for the NDR, we need to carefully manage both perception and reality otherwise we shall diminish our ability to mobilise and deploy capital.

### INTERNATIONAL CAPITAL

There is a thesis that states that for a developmental state to exist, it is vital to expand its capital base. Can countries advance today without international mobilisation of capital? More specifically, can the South African economy grow to be able to meet its social needs without international capital? The answer to these questions is in the negative. South Africa has set itself to achieve an economic growth of 6% a year. If this growth rate is achieved, and using data from the World Bank and factoring in the cost of living and inflation, it will take South Africa approximately 47 years for an average South African to enjoy the standard of living currently enjoyed by an average Canadian and approximately 60 years to enjoy the same standard of living as currently enjoyed by an average Norwegian. Considering that these countries are likely to continue to grow economically, we will only be able to catch up with Canada in approximately 93 years and with Norway in 117 years. It is a long time, and therefore, we need to accelerate our developmental agenda.

Now that we have understood what capital is all about, it is perhaps pertinent to discuss how capital is to be mobilised, managed and deployed. The success of the NDR will depend on how efficiently we allocate and distribute capital in South Africa. We ought to ensure that our ability to guarantee that the collective utilisation of the masses' talents is maximised. In other words, a person with the capacity to create a Microsoft should not be prevented from doing so because of our failure to mobilise capital so that they can fully utilise their talents.

The United Nations Human Development Index is a measure of how much countries invest towards improving the life expectancy, literacy, education and standards of living of its citizens. If this index is high, this implies that collectively people are able to relatively live long enough to contribute towards the development of the country, are able to transfer knowledge to the next generation, are able to participate in the knowledge economy, and have adequate standards of living to fully realise their talents. In 2006 South Africa was ranked 121

in this index, with Norway at the top. Considering our Purchasing Power Parity (PPP) GDP per person, which factors cost of living and inflation, the World Bank ranks us number 18, with the USA leading. The difference between our ranking by the World Bank and our poor ranking in the Human Development Index is a measure of how inefficiently our capital distribution is. It also measures how much potential talent we lose as a result of uneven income distribution. Another direct measure of inequality is the Gini coefficient, which ranks us 119, with Norway again taking the lead.

If we agree that the uneven distribution of wealth is a cause for our inability to mobilise enough capital to develop our country, and thereby increasing our ranking in human development, it is perhaps appropriate to ask: What are the critical drivers that would lead to such transformation? Given the historical truth that inequality is correlated to race and gender, is black economic empowerment adequate? Will the creation of black millionaires solve this problem? In answering these questions we need to go back to the definition of the Human Development Index, which contains phrases such as life expectancy, literacy, education and standard of living.

There is one overriding factor that is correlated to all these phrases, and that is education. The only meaningful and sustainable transformation exercise that will have a real impact in our society is educational transformation. This should mean the expansion of our education system to include pre-schools, because scientific evidence shows that this is the most critical part of education. This is because it affects the reasoning capacity of an individual throughout their life, the ability to visualise space in all its dimensions, and the ability to recognise patterns. The higher education system must also be capacitated to increase the number of technically-oriented people that would be able to meet the economy of scale we need.

All these will require the mobilisation and the deployment of capital. Our transformation agenda must as a matter of implementation be dominated by education grants that must be run by structures such as government. To answer the questions posed at the beginning of this section, the primary driver of transformation should be education and black economic empowerment. The creation of black millionaires is an essential but insignificant component of the motive forces of the NDR. There is a golden chain that links education to economic growth, which is an indication of the build-up of capital. As a movement we have the opportunity to truly revolutionise our country.

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# The black middle class and our political discourse

*Criticism of the emerging black middle class as chiefly responsible for the glorification of individual material wealth is both misdirected and unlikely to nurture social values that reflect the vision of the Freedom Charter, writes Palesa Morudu.*

In response to President Thabo Mbeki's 4<sup>th</sup> Annual Nelson Mandela Lecture, the contributions to *Umrabulo 27* focused attention on the emerging black middle class as a feature in our political discourse. In his lecture, President Mbeki expressed concern about greed and the crass accumulation of wealth as defining characteristics of our society.

In Ben Turok's article 'The Challenge of Managing Capitalism', he responds to Mbeki's speech by highlighting contradictions in the emerging South African nation with some interesting statistics. He writes, "The disturbing feature of the present scenario is that with a Gini coefficient at 0.70, income inequalities remain the same, or even higher, as under apartheid... Over the past ten years directors fees have increased at an average rate of 29%, non-executive directors (where many blacks are now appointed) by 49%, while workers increased their incomes by 6.5%. Also the conspicuous consumption of the black bourgeoisie indicates a strong propinquity to enjoy the same fruit as their white counterparts... Blacks are clearly joining the white elite, which is the wealthiest in the world..."

According to Turok, the more things change, the more they stay the same. He is clearly concerned, as many are, about the moral tone set by this conspicuous consumption in the context of South Africa's massive inequalities. It is, however a mistake, to lump every black person in a senior position within the state or private sector as part of the black "bourgeoisie" that is "joining the white elite".

Turok argues that "one of the inescapable consequences is that black managers are paid the same financial rewards as their white counterparts, and sometimes a premium above the market rate, thereby expanding the size of the highly privileged

bourgeoisie considerably. They are clearly part of the bourgeoisie by virtue of their location in the system of ownership and control of the means of production and by their incomes and lifestyle. They are therefore indirect beneficiaries of the economic dimensions of the apartheid legacy." Again, the more things change, the more they stay the same.

But there is a material distinction between the bourgeoisie and the middle class, with the former being the owning class and the latter aspiring to becoming the former. It is worth remembering that the owning class in South Africa is overwhelmingly white.

The reality is that the emergence of a new South African nation has opened up opportunities for modern producing classes to emerge, with all its contradictions. This was only made possible with the overthrow of apartheid rule and the advance towards the kind of society envisioned in the Freedom Charter.

In his book 'The Struggle Is My Life', former president Nelson Mandela explained the political thrust of the Freedom Charter: "Whilst the Charter proclaims democratic changes of a far-reaching nature, it is by no means a blueprint for a socialist state but a programme for a unification of various classes and groupings amongst the people on a democratic basis. Under Socialism, the workers hold state power... The Charter does not contemplate such profound economic and political changes. Its declaration 'The People Shall Govern!' visualises the transfer of power not to any single social class but to all the people of this country, be they workers, peasants, professionals, or petty bourgeoisie."

Mandela penned these words some 40 years ago. They highlight what the Freedom Charter sought to achieve: the transfer of political power to the

people of South Africa with full citizenship, opening the door to forging, for the very first time, a non-racial South African nation.

Mandela also explains, in the same book, that it would be inconceivable to realise the Charter unless "the national wealth of the country is turned over to the people". Read nationalisation. But four decades later, there has been much creativity on the "management" of the national wealth. For reasons that deserve fuller discussion elsewhere, the ANC is engaged in a delicate dance of managing the inevitable contradictions between its historic programme and 21st-century reality.

The draft Strategy and Tactics document illustrates the point: "The NDR seeks to eradicate the specific relations of production that underpin the national and patriarchal oppression of the majority of South Africans. It does not eradicate capitalist relations of production in general. It should therefore be expected that in a national democratic society class contradictions... will play themselves out. As such, a national democratic state will be called upon to regulate the environment...in the interest of national development."

The ANC uses the apparatus of government to direct industrial development, advance the social wage of the poor, and create a space for black people to become independent traders. One unintended consequence of the state's active role in the economy has been the growth of cronyism and the misuse of government funds to dispense patronage. The ANC has to stand guard against this scourge at all times.

Mbeki is correct in arguing against national values that glorify conspicuous consumption and individual material wealth. His public challenge to create a caring society that put first the most vulnerable in our midst is welcome.

But this is a tall order. Judging by history, the primary accumulation of wealth is done without regard to any of the noble moral values championed by the President. Consider Columbus's voyage to the Americas, which initiated mass plunder and the annihilation of large sections of the indigenous population, or the colonial (and later "free market") plunder of our own continent. The South African land grab and the discovery of gold, in particular, unleashed unprecedented violence against the indigenous populations of this land, the results of which we still harvest in the form of present-day violent crime.

The argument for an "RDP of the Soul" needs to be put in context. There may be an argument for targeting the "soul" of the entrepreneur – be a good corporate citizen, pay tax and don't loot – provided it is backed up with ironclad laws and regulations. But without context, this is a hollow cry that can only succeed, at best, in moderating the lifestyles of the rich. But is this what the vision of the Freedom Charter has been reduced to: less flaunting of wealth by the newly empowered?

The draft Strategy and Tactics document continues to recognise the centrality of poor and working people in transforming the nation: "In class terms, these forces are made up of black workers: employed and unemployed, rural and urban. The early and extensive development of capitalism in South Africa led to the emergence of black workers as the majority in our society. They are located strategically at the heart of modern production and services. Because of and in addition to this, their sense of organisation and mobilisation locates them as the main motive force and leader of the process of change."

In short, the ANC maintains that working people need to use the available political space to set the moral tone and values that will define the kind of nation South Africa ought to become. This space hasn't been adequately taken advantage of. Working people have, in fact, taken a back seat, with some of its leadership engaged in a great deal of mudslinging and political grandstanding, most of it aimed at the wrong target, the ANC in government.

Responding to South Africa's current challenges requires careful consideration of the dynamics of the continuing transition. It is all too easy to criticise the "new elite" (a term that obfuscates the distinction between the tiny number of very wealthy blacks and the new middle class); but taking on capital (non-racial or otherwise) is something else.

South Africa is slowly emerging as a modern nation; a historic mission of the ANC is finally being realised. Its character, though, will ultimately be defined and determined by the balance of forces here and abroad. In the meantime, the political space remains and the class contestation continues, and this is a progressive development.

**PALESA MORUDU** is an ANC member in Muizenberg, Cape Town.

# A different kind of economic system is being born

*The changing nature of work in the modern economy means that traditional relations of employment are mutating and people are increasingly able to claim ownership over their work, writes **Zamani Saul**.*

In capitalism markets are pervasive and workers are paid a wage to produce commodities that their employers own and sell. The distinctive feature of capitalism, as opposed to other forms of market exchange, is that work and labour themselves become commodities, to be bought and sold. Karl Marx saw this as a source of aggravated class antagonisms that would define capitalism. You own the means of production or you do not; either you are an employer or a worker. In volume three of 'Capital' Marx argues that if workers own their tools and machinery, on an individual or collective basis, and trade with one another, the system is not capitalism. Other tools that workers have in the modern market economy are knowledge, skills and creativity.

Marx foresaw capitalism as a continual process of de-skilling. That is certainly part of the story, and remains so today in fast food outlets and service factories such as call centres. But work in the knowledge economy increasingly involves people applying their judgments, skills and creativity; personal assets that are beyond the complete control of the employers. It is impossible to observe, monitor and instruct this kind of knowledge work in the way managers could when work was the completion of repetitive manual tasks. It is impossible to see and manage in detail what is going on in people's heads.

The more the work involves the application of knowledge and creativity the more the traditional forms of managerial control are undermined, and with that the classic employment relationship. It will be increasingly difficult to specify in advance what workers will be expected to contribute, when part of their role will be to be innovative, creative and adapt to unforeseen changes. Increasingly a significant share of the workforce will become akin to independent contractors, selling not themselves to a company, but a service, outcome, capability

or a skill. Marx defines workers as those who do not own their means of production. But in the knowledge economy, in which technology is cheap and ideas are a source of value, more and more of the assets that matter will be owned by this new breed of independents.

Firms will increasingly become alliances of these independent knowledge workers, brought together to jointly store, combine and create knowledge. The culture of the companies will be based on the respect of the individual, who ultimately owns their own knowledge and skills, and who might choose to walk out of the door with those assets. The employment dispensation that allows managers to issue instructions will increasingly be at odds with this emerging self-managing culture of knowledge work. This does not mean that there will be no division between social classes, nor that inequality will disappear. But it does mean that for a growing number of people working within the market economy the classical employment relationship will mutate into something quite different.

The new relationship between workers and companies will have to recognise two key aspects of modern work: firstly, key knowledge assets are owned and controlled not by companies but ultimately by individual workers, and secondly, these capabilities emerge from a social base of interaction and learning, that often goes on outside the firm. Firms will increasingly need to attend to these social and collaborative aspects of learning. This will be a hybrid of the market economy, in which some aspects of work are post-capitalist and in which social aspects of life, particularly those that support learning and creativity, become more important to the economy. It is not socialism, but nor is it tooth-and-claw capitalism. It will be a market economy with widespread individual ownership of the key economic assets, mainly knowledge and skills, which in turn depend on a solid foundation

of social institutions that support and promote education, learning and creativity.

The irony is that the free market economy 'triumphed' over the planned economy of socialism because, among other things, of its superior capacity for innovation and learning. But the growing importance of knowledge and learning in time will corrode and render outmoded traditional capitalist forms of organisation based on an employment relationship. A different kind of economic system will be born, not from socialism, but from evolution within capitalism.

Geoffrey Hodgson, in his book *Economics and Evolution* (1993), sums it up like this: "Capitalism necessarily entails the widespread use of the employment relationship... yet transformative processes are undermining this relationship. We are facing the possibility – no matter how long it may take – of modern capitalism being transformed into a system in which the employment relationship is no longer central. By common definition such a system would no longer be capitalism."

The question is how do we expand the space beyond capitalism and ensure more people, and most particularly young people, can occupy it. Currently the answer is not revolution on the streets and workers' committees running the economy. Two critical challenges have to be addressed. Firstly, we have to promote a much wider distribution of economic assets and capabilities, particu-

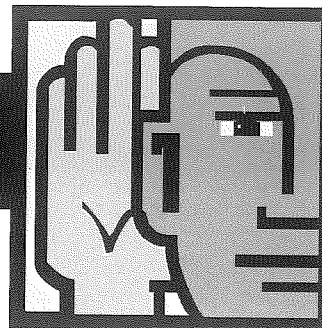
larly the capacity to learn, so that many people have a chance to be in charge of their economic lives. We need to promote a wider and lasting culture of learning, in which people become as used to learning as they are to washing. Secondly, knowledge and skills are not enough to allow people to exploit the opportunities for independent and post-capitalist forms of work. People must also have confidence in themselves, the desire to claim authorship over their work and to see themselves, in small and large ways, as entrepreneurs, to sense opportunities and realise them.

For that we need a whole range of reforms to make entrepreneurship and independent work a must, an everyday aspiration for most people, for at least part of their working lives. Work in the modern economy does not have to be relentlessly de-skilled and humdrum. Increasingly people can claim control over their lives, exert a sense of ownership at work, and gain a feeling of achievement. Opportunities to organise work around life will grow, rather than to organise life into small areas left behind for after work. The possibility of making independent work an achievable dream for young people should be ground for optimism.

**ZAMANI SAUL** is the ANC Deputy Secretary in the Northern Cape.



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