

**Rethinking South Africa's
Development Path:**
Reflections on the ANC's
Policy Conference Discussion Documents

Edited by

Omano Edigheji

Special edition of Policy: issues & actors

Vol 20 no 10

Policy: issues & actors

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Reflections on the ANC's Policy Conference Discussion Documents**

Edited by

Dr Omano Edigheji

Centre for Policy Studies

Johannesburg

June 2007

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This paper has been funded by the Friedrich Ebert Foundation, whose generous support and
insight, we gratefully acknowledge

ISBN - 978-1-919708-85-0

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Preface and Acknowledgements

This publication is a critique of the set of discussion documents released by the African National Congress [ANC] in preparation for its Policy Conference at the end of June and its Congress in December 2007. The purpose of the publication is to facilitate national debate and dialogue on the discussion documents as part of the Centre for Policy Studies [CPS] contribution to strengthening South Africa's democracy. In addition, through this publication, we hope to contribute to public policy that will meet the needs of South Africa's democracy and development. This includes meeting basic needs, reducing poverty and inequality, creating jobs, growing the economy, promoting freedom of thought and discourse, and strengthening its governance institutions.

Specifically, the publication aims to:

- facilitate and generate a national dialogue and debate around the ANC discussion documents;
- facilitate citizen involvement in the evolution of public policy through discussion generated by the publication;
- influence the policy of the ANC - and subsequently government policy; and
- assist the ANC to fashion policies that will enable the ANC government to be responsive to the real needs of all South Africans.

It is based on contributions by over 20 leading South African academics and policy analysts, as well as one of the one leading authorities on the "Role of the State in Development", Professor Peter Evans of the University of California, Berkeley, USA.

I would like to thank a number of people who have made this publication possible. I should express my profound gratitude to my colleagues in the CPS Management, namely Professor Chris Landsberg, Shaun Mackay and Stella Tshona, who showed unstinting support for this initiative from its very inception. I would also like to thank a number of my colleagues who worked long hours to ensure the production of this publication. They include Shaun Mackay for his excellent copy editing, Lebogang Mokwena for her dedication and unparalleled research support and Martin Ngobeni who had spent a sleepless night to ensure that it was printed on time. I would like to thank Naomi Moloisane for logistical support. Also, a special word of thanks is due to the various authors of the chapters that make up this publication. Without them, this publication would not have seen the light of day. Lastly, on behalf of CPS, I would like to thank the Friedrich Ebert Foundation for providing the financial support that made this publication possible.

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1

RETHINKING SOUTH AFRICA'S DEVELOPMENT PATH

DR. OMANO EDIGHEJI

1.1. INTRODUCTION: FOREGROUNDING SA'S FUTURE DEVELOPMENT PATH

The South African democratic transition took place at two important historical conjunctures, both at continental and global levels; this is important in rethinking the country's development path. At the continental level, the transition coincided with a fresh wave of democratisation across the continent. This was in line with the expectation by the African people that democracy would improve their material well-being. Not surprisingly, Africans from one country to another rose in protest against one party rule and military dictatorship.

Most Africans expected democracy to respond to their legitimate aspirations of freedom from hunger and want, and believed that development would be people-driven. Instead, many were killed, maimed and imprisoned in struggles against military rule and one party dictatorship. Interestingly, these struggles were waged by ordinary people - market women, workers, taxi and bus drivers, students and peasants - not the elite and comprador bourgeois.

Across the continent, there was recognition that the freedom of any country is incomplete until all countries in the continent were free from colonialism. It was, therefore, no surprise that the Anti-apartheid movement received support throughout the continent from amongst the ranks of ordinary Africans. It is, therefore, correct to assert that the liberation of other countries and people in the continent is considerably intertwined with the liberation of South Africa and its people from hunger, disease, poverty, inequality and underdevelopment. It is also correct to declare that there were expectations by other countries on the continent that a free South Africa would play a pivotal role in freeing the continent from the yoke of neo-colonialism, neo-imperialism and other forms of domination, use and abuse. This anchoring of the analysis of the South African struggle and events in post-1994 South Africa on the wider African development agenda is important, because it enables us to understand how, what might be perceived as domestic South African issues, have important ramifications on countries and people from other parts of the continent.

At the global level, the South African transition coincided with the triumphalism of liberal democracy and market fundamentalism, especially following the collapse of the former Soviet Union, and the tendency to discredit socialism as an alternative to the "gods of the market". This period was also marked by an ideological onslaught against the state, and

erosion of some of the gains of social democracy. What is interesting is that the collapse of the Soviet Union notwithstanding, the critical issues of exploitation, marginalisation and exclusion of the majority of people (particularly in South Africa) from the mainstream economy remained relevant at the dawn of South African democracy, and 13 years after. In general, the question of poverty and social inequality raised by the founders of socialism and social democracy remains even more pertinent in an era of market fundamentalism, given the latter's inability to respond to the aspirations of ordinary people across globe. This period, 'the era of market fundamentalism', has witnessed rising inequality within nations, across nations, within regions and across regions, with the most compromised and impoverished being the African continent and its people. Therefore, even after socialism as an ideology may have been discredited, the paramount importance of ensuring that the image of God in humans is not debased by market fundamentalism, remains a pertinent issue that should preoccupy the minds of academics, public officials and political parties, including the ANC. In essence, the need to ensure human dignity, freedom from want and ignorance, remains critical at the dawn of the 21st century, when South African is forging efforts at achieving a non-racial democracy.

1.2. GETTING BACK TO HISTORY: THE BASIS OF THE STRUGGLE AGAINST APARTHEID

To a degree, the Anti-apartheid movement and the struggle against Apartheid was anchored on the need to restore the dignity of South Africans - especially black South Africans who were stripped of their humanity and dignity by the apartheid regime. Consequently, the majority of South Africans expected that democracy would respond to their legitimate aspirations of a better life, that it would be synonymous with freedom from hunger, want, disease, and so on. Furthermore, it was and remains, the aspiration of ordinary South Africans, especially the poor who bore the brunt of the repressive apartheid state, that democracy will substantially reduce inequalities along racial and gender lines, decrease poverty, increase access to basic social services and physical infrastructure, and in spite of challenges - lead to the building of one nation - a South Africa that belongs to all those who live in it (in the spirit of the Freedom Charter) and not only to the owners of capital, the previously advantaged communities and the incorporated black middle classes and elites. Central to this conception of a democratic South Africa is that it will enhance (not compromise or impede) the human capabilities of all South Africans as the foundation for its prosperity. And development should be a product of people - rather than something delivered by "uninterested" state technocrats - and is instead propelled by a situation in which the state and citizens co-produce common goods, services and values of mutual benefit to all.

1.3. THE ANC POLICY REVIEW: ISSUES FOR FURTHER REFLECTIONS

Thirteen years into South African democracy, it is important that a review be undertaken to assess the performance of the democratic government and the ruling party. It is commendable that the ANC is taking the lead in trying to establish a basis on which to chart the future trajectory on which to meet the needs of democratic South Africa. Equally commendable is that the party has taken it upon itself to evaluate its performance of the last 13 years, as it has done on regular intervals. It needs to be said that this kind of self-introspection is unparalleled in most developing countries. Hence, the party needs to be commended. Importantly, it has opened up a debate on the future development path of the country to all South Africans irrespective of race, creed or gender, and to civil society organisations, the academy and so on. This deserves further commendation.

However, the success of the ANC's Policy Conference and Congress at the end of the year will be judged by three critical considerations, namely:

- Will the outcomes meet the aspirations and dreams of those South Africans who were killed, maimed and imprisoned in the struggle against apartheid, for a socially just and democratic South Africa?
- Will these outcomes lay a foundation for human-centred development for future generations?
- Will the outcomes meet the expectations of the African continent; an African continent that is desirous of freedom from the legacy of the yoke of the European slave trade, colonialism and neo-colonialism? And importantly, will the outcomes of the conference advance a continental agenda of equal partnership in the global arena. Will they signal an important step towards a continent free of violence and conflict, driven by the values of democratic governance and development?

Amongst others, these questions have to weigh heavily in the minds of delegates to the Policy Conference and the December 2007 Congress. Charting a development path that effectively responds to those questions, will among other things, be dependent on the degree to which the ANC acknowledges its achievements, accepts its mistakes, and is willing to chart a different development path that places South African people at the centre of the development agenda.

How will delegates to the conference and congress define developmental success? Would they declare South Africa a developmental success in a context where the majority of its people are poor, about half are unemployed, many cannot access basic services, many lack a sense of one national identity, and some sections of its people live in gated communities for fear of one another?

The party/movement has rightly, through a number of policy discussion documents, shown its willingness to engage in a process of self-examination that includes assessing its

internal organisational challenges (and where necessary, undertake organisational renewal); debating the challenges facing the ANC-led alliance and its relations with key socio-economic actors such as business, trade unions and civil society; scrutinise its relationships as a ruling party with government; and interrogate the moral values that should foreground its vision for the country. It however, needs to be said that organisational renewal is not a technocratic process but an outcome of organizing social forces around a developmental agenda and being able to mobilize the rest of society around that vision of transformation. Characteristically, development agendas are always a site of contestation. Therefore, unlike some commentators, I do not take an apocalyptic view of the noticeable but disturbing crisis within the ANC and its broad alliance. Properly managed, with a visionary leadership and organised and mobilised members, the contestations can strengthen the ANC, the alliance and South Africa's democracy in the long-run. In fact, the strength of the ANC is not only its readiness to engage in criticism and self-criticism, but also the fact that it contains countervailing forces within itself. That it is also in an alliance with the SACP and COSATU points to this fact. Herein lays the strengths of South African democracy. This point has to be taken alongside my contention that the ANC needs to sufficiently embedded in communities and civics as a strategy to sustain its electoral dominance and as a force that can promote a progressive agenda in the country, Africa and the Global South generally.

The party also devotes critical policy discussion documents to the relationship between itself and business, as well as the possible role of workers and organised unions in the national democratic revolution. Although, surprisingly missing, is discussion on how it can embed itself in communities and how communities' values and aspirations can become the major drivers of its development agenda. Unfortunately, the discussion document focused on the role of workers and organised labour in the NDR, misses the point, as it focuses not on the subject reflected in its title but on labour market issues. Perhaps, this is part of an understanding that tends to limit the role of workers and its organised formations to labour market issues, especially at the level of the shop floor.

Importantly however, the ANC devotes a number of discussion documents to the transformation of key institutions of governance including the legislature, the judiciary, and the media. Curiously, though, the critical oversight role of the legislature over the executive arm of government, receives scant attention. Other interesting aspects of the self-assessment is a review of its Strategy and Tactics (S&T); unfortunately, it seems to lack a coherent ideology and is characterised by an inability to identify the hegemonic force among the multiple classes that made up the party. The central question is which of these classes should become the hegemonic force to lead National Democratic Revolution (NDR)? In addition, it fails to ascribe not only a role and function for the motive forces, but also omits to ascribe any agency to these forces.

Every revolution and fundamental transformation in any society has always had a motive force that tends to foist its vision of societal transformation. Of critical importance here is that the motive force is able to penetrate and mobilize society around its developmental goal. The Labour Party in Norway is a classic example of agglomeration of motive forces that

fostered its vision for the country on the rest of society. That the ANC's S&T is unable to identify the motive force of the South African NDR seems problematic. This partly explains the fact that since 1994, as a movement, it has been unable to articulate a comprehensive development agenda around which it can mobilise all sectors of society. If this continues, it is unlikely that country will be able to build a (democratic) developmental state. Experiences elsewhere, including the current Chinese state, show that developmental states have the internal capacity to develop their own vision and mobilizes it within society. My use of the Chinese example is not to ignore some of its undemocratic practices, but simply to emphasise the mobilization of a collective consensus vision around development. Some of this may in the Chinese case have been foisted in an undemocratic fashion, but South Africa is perfectly placed to build on one which is inclusive, participatory and accountable. The discussion documents seem to recognise that a democratic state has to mobilize society, but the social force that should define that vision is not clearly articulated. Before discussing this in any detail, an impression created in the economic discussion document needs to be corrected.

The economic transformation document assumed that developmental states are only possible in culturally homogenous societies. This is not the true! Malaysia is a highly heterogeneous society with various ethnic groups. But the ruling party, UMNO, was still able to construct a state that can be classified as developmental. That said, the recognition by the ANC that its envisioned developmental state is one that must be democratic and mobilise society as a basis for "popular legitimacy", and requires a "People's Contract", are all welcome developments. Nevertheless, it is still unable to define what it means by a developmental state. In addition, it fails to spell out how the envisaged developmental state will be "buttressed by and guided by a mass-based, democratic liberation movement" and at the same time forge collaborative relations with a private sector that has remained sceptical, in spite of the tremendous gains it has made under the democratic order. These require further elaboration in a document of this nature.

The recognition in the economic transformation document of the importance of central planning and coordination as elements of a developmental state show a party that is engaged in critical reflection. But one important question that requires an answer is how it will reconcile those within the movement who are opposed to what they term "centralisation", with the imperative of a developmental state whose nature requires this kind of institutional attribute. A critical look at the economic transformation document shows a reluctance to embrace fully, the concept of a democratic developmental state. This in my view, is because of the reluctance to spell out which agency within the state should play that coordinating role - to ensure that line ministries and government programmes are aligned within the broad national framework. The experience of the Asian developmental states tell us that this coordinating role is played by the office of Head of Government, namely the Prime Minister's office in that Asian context, and mostly headed by the Prime Minister, or the deputy prime minister, with the sole responsibility of economic management. It will be important for the ANC to come to grips with this reality and take a firm stance on how it envisions the role of

the country's President and Deputy President in this regard. As I have argued previously, it will be important for the South African deputy president to be assigned the exclusive role of socio-economic management and coordination. This would, among other things, mean that there is a Super Ministry or Nodal Point charged with coordination of social and economic policies and programmes, with all line ministries reporting to the Super Ministry.

One of the main weaknesses of the set of policy documents as a whole is the tendency to dichotomise economic transformation and social transformation. By doing so, the documents fail to see the mutual interdependency and complementarities between social and economic transformation. Thus to a degree, they seem to operate within the frame of neo-classical economics, which as a consequence, pays little attention to the question of equity. At best, like the tradition it is predicated on, it conceives of social transformation as an addendum, not central, to economic transformation. More recent studies, including the World Bank 2006 World Development Report, entitled *Development and Equity*, have shown the mutual complementarities between growth and equity, as well as the synergy between social and economic transformation. Because of this anomaly in the discussion documents, one can ask where are the people in the process of economic and social transformation? The state and market seem to receive much more attention in the economic transformation document. When it refers to the people, it notes that "People acting collectively in the spirit of human solidarity must shape the contours of economic development". But this is not carried through in the document and the social transformation document where reference is made to people, this is primarily as recipients of services delivered by the state. Consequently, a discussion of 'people' as agents of social and economic transformation is near absent, in the documents. Perhaps this is what moved Graeme Bloch in his contribution to this publication to pose the question, "What happened to the People?"

A disturbing aspect of the discussion documents is the near silence on the high levels of inequality, which have continued to rise in the post-1994 period. In reading the documents, those unfamiliar with the country's socio-economic situation, will not realise that South Africa is one of the most inequitable countries in the world, albeit a legacy of apartheid. But what is even more troubling is that the documents fail to articulate a transformation agenda where the promotion of equity and growth will be mutually reinforcing. We are reminded by the World Bank's Senior Vice President and Chief Economist, Francois Bourguignon, that "Equity is complementary to long-run prosperity. Greater equity is doubly good for poverty reduction. It tends to favour sustained overall development, and it delivers increased opportunities to the poorest groups in society" (<http://web.worldbank.org>).

Birdsall (2005) has persuasively demonstrated the harmful effects of inequality on growth, using developing countries as examples. According to her:

In developing countries, inequality is usually economically destructive; it interacts with underdeveloped markets and ineffective government programmes to slow growth - which in turn slows progress in reducing poverty. Economic theory suggests why: weak credit markets and inadequate public education mean only the rich can exploit investment

opportunities. Middle income and poor households cannot borrow and miss out on potentially high returns on their own farms and small business ventures for example - often higher returns than the rich are getting on their capital. The most able children of the less rich miss out on education and skills that would maximize their own economic prospects and their country's own growth (Birdsall, 2005: 1).

In a similar vein, pointing to the harmful effects of high poverty and inequality on growth and development, Noble Prize winner in economics and former World Bank's Chief Economist, Joseph Stiglitz argued:

A country's most important resource is its people, and if a large fraction of its people do not live up to their potential - as a result of access to education or because they suffer the life-long effects of childhood malnutrition - the country will not be able to live up to its potential. Countries that don't invest widely in education find it hard to attract foreign investment in businesses that depend on skilled labour force...At the other extreme, high levels of inequality, especially as a result of unemployment, can result in social unrest; crime is likely to increase, creating a climate that is unattractive to businesses. (Joseph Stiglitz, 2006: 46)

It is not enough for the discussion document to lament the lack of engineers and other highly skilled personnel. It needs provide a proposal for addressing this major challenge to South Africa's prosperity. Any such endeavour has to shine the searchlight on the country's higher education sector. Why is the sector unable to provide these skills. What are there lessons that can be learn from other developing countries? The East Asian developmental states are good examples that we can learn from, and India more recently. Following the changing structures of their economies, most of these countries established national universities that produced the required skilled personnel. In addition, the state in these countries provided scholarships to their citizens to study at some of the top universities in the world where they acquired skills that they ploughed back to their economies.

Some of the channels which measures to promote equitable development can lead to higher growth include investment in education and health, as well as land redistribution. Equity also engenders a stable political climate that is a necessary condition for investment. All of these have positive effects on growth. Besides increasing investment in health and education as well as building the human capabilities in those sectors to undertake such services, a country like South Africa, with high levels of inequality, needs to urgently implement comprehensive agrarian reforms as a central component of its comprehensive development agenda. Specifically, a comprehensive agrarian reform that entails placing ceilings on the size of household ownership (as opposed to size of individual ownership), providing land to those that work it (as opposed to absentee landlords), providing complementary inputs, greater access to credit, skills training and secured tenured rights for poor households, has a number of growth enhancing advantages: it leads to more efficiency and productivity as poor beneficiaries are able to "invest in physical assets...and the education of their children, and time and efforts saved in securing land rights" (World Bank, 2005: 164). But in contexts where these conditions do not prevail and where the main

beneficiaries are political elites and landlords, land reform can depress productivity and thus be a drag on growth.

It needs to be observed that the argument for greater equity is not based on its growth imperatives: it is also because this is a question of social justice. It is about fairness. And in a country like South Africa, where there is a constitutional provision for social justice, it is morally reprehensible if the promotion of equity is not prioritised in public policy. It is therefore, concerning that the ANC discussion documents do not give adequate attention to the high levels of inequality in the country and how to address it as a necessary binding constraint to South Africa's long-run economic, social and political prosperity. The lack of cognisance to this imperative arises either because of an ideological predisposition that focuses narrowly on economic growth with machines being the drivers of growth and development or a deliberate omission that needs to be rectified in order to achieve the vision of a shared growth that has recently crept into ANC and government policy discourse.

But as Peter Evans shows in his contribution to this collection (building on the works of Amartya Sen), investment in human capabilities is not only necessary for the 21st century developmental state but it will be the main driver of long-run sustainability.

An important issue that demands attention in charting a different development path for South Africa, is the addressing of poverty, which Mahatma Gandhi over a century ago, described as the worst form of violence. President Thabo Mbeki has consistently raised concerns about the high levels of poverty in the country. That this form of violence is on the increase, in spite of the economic growth of the last few years, represents an issue that should preoccupy the minds of delegates to the ANC Policy Conference and Congress. It is important to note the point raised by the late Professor Guy Mhone, who argued that "what matters is not the quantum of growth *per se* but its quality", and that, "the primary aim of economic development is to advance a people-centred approach to (economic development) human welfare in a sustained manner over the long term" (Mhone, 2006). Doing this, however, requires a structural transformation of the South African economy, an economy that can be termed in the words of Mhone, an enclave economy. According to him, enclavity engenders the:

coexistence of two interrelated segments of the labour force: a minority engaged in dynamic activities propelled by the capitalist imperative for accumulation, and a majority trapped in low-productivity non-capitalist forms of production that are static from the standpoint of accumulation. The capitalist sector...formal sector, exists as an enclave in the sea of underemployment, or the non-formal sector...The problem is that this interrelated coexistence presages a vicious circle of proness to economic stagnation and marginalization of the majority... (Mhone, 2000: 15).

The point, therefore, is that being able to address the high level of poverty in the country requires the dismantling of the enclave nature of the economy in order to enable the majority of South Africans to engage in high income and productive economic activities.

Another important omission in the set documents is the absence of a comprehensive development agenda where macro-economic policy, agrarian policy, industrial policy and social policy can be anchored. Consequently, some of the proposals in the discussion documents are contradictory and unlikely to lead to the virtuous circle of high equity-high growth-low poverty. The various mechanisms and channels of how the virtuous circles can be achieved have been empirically demonstrated in a number of international empirical studies, which seem to be ignored in the Documents. The above analysis provides an important background to the next section that focuses on the structure of the publication.

1.4. STRUCTURE OF THE PUBLICATION

There are thirteen parts in this publication. Following the introductory chapter, Part 1 deals with *Strategy and Tactics* (S&T). In this part, Ebrahim Fakir and Michael Sachs - in chapters 2 and 3 - examine issues raised in the S&T documents. Fakir examines the ideological underpinnings of the S&T document and its motive force. In chapter 3, Sachs discusses the global situation and its implications for the ANC's S&T.

In Part 2, Aubrey Matshiqi and Sipho Seepe, with a critical lens, examine the subject matter of *Organizational Renewal* within the ANC. Among other things, in chapter 4, Matshiqi examines the merits and demerits of the possible two centres of power, that is, separating the positions of the ANC president and that of the country's president. Furthermore, he focuses on how revitalisation of branches can become one of the prime mechanisms for the renewal of the ANC. In chapter 5, Seepe pays tribute to the ANC for its willingness to undertake critical self-assessment around the issues facing the organisation. He concludes however, that the agenda for organisational renewal does not reach far enough.

In Part 3, Peter Evans, Chris Malikane, Oupa Bodibe, Seeraj Mohamed, Devan Pillay and Kenneth Creamer engage with the issues raised in the *Economic Transformation* document. Specifically, Evans in his contribution in chapter 6 focuses on expansion of human capability as the most critical component of economic transformation. In the following chapter, 7, Malikane provides a detailed critique of the economic policy discussion document. His conclusion is that in many areas, the document falls short of what is required for a comprehensive development framework. Oupa Bodibe in chapter 8 attempts to gauge whether the economic transformation policy document represents a shift in economic policy. He concludes that the document will not be able to engender policies to fundamentally transform the structure of the economy in order to achieve an inclusive growth. Mohamed, in chapter 9, focuses on industrial policy and how its absence may constrain South African economic transformation. In chapter 10, Pillay discusses the limits to what he terms a "thin" conception of democracy. He concludes that the economic framework proposed in the discussion document is based on flawed fundamentals. Creamer, in chapter 11, proposes an appropriate macroeconomic framework for socio-economic transformation. He argues that to run a budget surplus in the context of high unemployment and where most citizens have no

access to basic services, impedes South Africa's development potential both in the short-term and long run.

Part 4 focuses on *Social Transformation*. In Chapter 12, Hein Marais undertakes a comprehensive review of the discussion document. Among, other things he draws our attention to the fact that the document assumes that the economic framework upon which it is based is correct. To the contrary, he argues that social transformation in South Africa requires a shift in paradigm. Graeme Bloch, in chapter 13, laments the inconsistency in ANC policies, especially in the social sectors. He points to the fact that the discussion documents assume that social transformation can take place without the people. In chapter 14, Lebogang Mokwena focuses on youth development as an aspect of social transformation. She draws attention to the fact that current youth development frameworks and initiatives tend to conceive of the youth only in terms of the labour market. She consequently advocates holistic youth development frameworks which should, among others things, conceive of youth as agents of social change.

Part 5 deals with the *Legislature and Governance*. In this part, Richard Calland in chapter 15, addresses the many governance challenges, including the nature of the electoral system, proposes a framework for post-tenure for public officials, and discusses the vexing questions of floor crossing and the future of provinces.

Part 6 focuses on the *Transformation of the Judiciary*. Shadrack Ghutto, in chapter 16, argues that of the three arms of government, the judiciary remains the least transformed. He makes a number of recommendations for the transformation of the judiciary, including giving greater attention to African languages and jurisprudence.

The focus of Part 7 is on *Transformation of the Media*. In chapter 17 Mathatha Tsedu provides a critical review of the discussion document and concludes that it is a rehash of previous ANC's policies. In chapter 18, Anton Harber reviews the ANC's policies on the media from 1992 to 2007. He argues that on a closer read, there is inconsistency on the party's media policy over time. Fackson Banda, in chapter 19, focuses on the South African Broadcasting Corporation (SABC). He proposes that the SABC adopt the principles of developmental journalism. These principles are spelt out in the chapter.

Part 8 deals with the *RDP of the Soul*. Charles Villa-Vincencio, in chapter 20, teases out some of the values that should guide South African society. He proposes that this should be codified in what he calls a *Charter of Positive Values*. In chapter 21, Mathole Motshekga laments the neglect of indigenous African religion. He argues that the *RDP of the Soul* should be based on the principles of *Ubuntu*.

Part 9 focuses on *Peace and Security*. In chapter 22, Kwandi Kondlo argues against the idea of a single police force, grounding his argument on the constitutional provisions of the respective spheres of government. Thus according to him, a single police force will hamper the crime prevention constitutional mandate of municipalities. Anthony Altbeker, in chapter 23, deals with the question of Community Police Forums (CPF). In general, he argues that

instead of tinkering with the CPF, there should be more systematic analysis of the aims of the criminal justice system with a view to developing a framework that will guarantee South Africans peace and security.

The focus of Part 10 is on the theme *Revolutionary Morality: The ANC and Business*. In chapter 24, Judith February provides a comprehensive assessment of the subject matter. She proposes a number of recommendations with respect to post-tenure employment for public officials. She also makes recommendations with respect to political party funding/donations.

Part 11 focuses on the *Role of the Working Class and Organised Labour in Advancing the National Democratic Revolution*. Adam Habib, in chapter 25, argues that the discussion document is mislabelled as it discusses labour market issues rather than the role workers and labour could play in advancing the NDR. He then teases out three possible scenarios that the working class and organised labour could follow in advancing the NDR. Like Habib, Jan Theron, in chapter 26, argues that the focus of aforementioned discussion document is labour market reform, rather than what is reflected in its title. Even, taken at its face value, argues Theron, the document did not engage with how labour market reform affects ANC members.

Part 12 deals with theme *Challenges and Opportunities Facing Workers and Unions: The Role of the ANC*. In chapter 27, Edward Webster argues that globalisation and some of the labour market reforms put in place by the democratic government have weakened the unions. However, he contends that globalisation also provides opportunities which South African trade unions need to take advantage of. An interesting recommendation by Webster is that the trade unions need to launch a campaign for "Decent Work" rather than the current narrowly-focused campaign for a living wage.

The last Part, 13, focuses on the theme *International Policy: A Just World and a Better Africa is a Possibility*. Chris Landsberg, in chapter 28, argues that the document confirms the fact that South Africa's Foreign Policy is grounded on a pro-African and pro-Global South agenda. He points to some gaps in the document that need to be addressed in order to strengthen Pretoria's pro-African and pro-South-South agenda. In chapter 29, Garth le Pere, reaches a similar conclusion as Landsberg, that Pretoria's foreign policy is grounded on an African agenda and the strengthening of South-South cooperation. But he adds that it is also based on improving North-South dialogue and engagement. He argues that while the values of South African foreign policy are well anchored, their realisation might be constrained by a number of factors, which he says Pretoria needs to be cognizant of. He points out that because of such constraints, pragmatism will be required by South African policy makers in promoting and implementing its foreign policy agenda.

1.5. CONCLUSION

The main critical question that conference delegates have to answer is why thousands of South Africans - men and women, young and old, black and white, workers and peasants - lose their lives? What were they imprisoned and maimed in the struggle against apartheid, for? Did they struggle simply to get rid of Apartheid? Or to replace it with a free, democratic, open and human-centred society? What was their vision for South Africa? Delegates to the ANC Policy Conference later this month and the Congress in December, need to answer this question by adopting resolutions that would lead to the realisation of the dreams and vision of all those who lost their lives, were imprisoned and maimed in the struggle against Apartheid. Alternatively, they may not give sufficient attention and substance to the realisation of that vision and those dreams, and consequently shatter the dreams and hopes of future South African generations and that of an African renaissance. Delegates cannot afford to follow the latter course!

PART ONE

Building A National Democratic Society (Strategy and Tactics of the ANC)

2

STRATEGY AND TACTICS: WHAT OF IDEOLOGY AND WHO ARE THE MOTIVE FORCES?

EBRAHIM FAKIR

The tradition of all the dead generations weighs like a nightmare on the brain of the living. And just when they seem engaged in revolutionising themselves and things, in creating something that has never yet existed, precisely in such periods of revolutionary crisis they anxiously conjure up the spirits of the past to their service and borrow from them names, battle-cries and costumes in order to present the new scene of history in this time-honoured disguise and this borrowed language.¹

2.1. INTRODUCTION

The ANC's current strategy and tactics document seems curiously misnamed. It reads less as a grand programmatic vision [strategy] or elaboration of the principle instruments to achieve that vision [tactics], and more like a restatement of a programme of intent. As such, it is less strategy, slightly more tactics. But it is astonishingly devoid of ideology or context. In so far as there is context, it relies on a contextualisation of contemporary South Africa in which a theory of struggle continues to be premised on the theory of "colonialism of a special type" (CST), from which arguably, the primary contradictions manifest in South African society derive. While CST should necessarily be an element in contextualising the current conjuncture, it is insufficient for accounting for some of the contemporary contradictions and realities characterising South African society. CST may explain the legacy bequeathed by apartheid and even adequately account for the post apartheid co-incidences between identity and poverty, but it fails to adequately grasp the contradictions that continue in post apartheid democratic South Africa, such as increasing levels of inequality - both inter and intra community. It fails also to account for why, despite increasing levels of public expenditure in the social sector [health, education, social services, welfare], high levels of poverty co-exist with widening inequality, or why advanced modes of development, production and capital accumulation continue to coexist with underdevelopment and primitive modes of subsistence.

2.2. THE POLITICS OF PROGRESS - OR A LACK THEREOF

CST fares even worse in explaining the inexplicably high levels of public [in]civility and civic [im]morality,² and while the primary contradictions of our material conditions may be

¹ Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* (Moscow: Progress Publishers, 1983), p.12.

² The terms public [in]civility and public [im]morality are catch-all phrases used to denote the occurrence of high levels of crime, high levels of violence associated with crime, wanton violence and incivility associated with violence against women and children, teachers and public servants who are lackadaisical and lack any commitment or conscience to their responsibilities and work, a

derived from a theory of CST, it fails to objectively paint a picture of the contemporary South African reality. This has consequences, not limited to simply mis-characterising objective conditions, but also conflating the ultimate vision of a South Africa that we seek to build with the strategies that are to be used to achieve it. This may impel the use of inappropriate short-term measures and instruments [tactics] to unravel the entrenched legacies of Apartheid.

But it is not so much simply this kind of misdiagnosis that is conceptually problematic. The use of the theory of CST without adequately grappling with the advances made in addressing “the national question”, which while still an outstanding and unresolved feature of our socio-political landscape - fails to account for the strides made in the capture, use, and deployment of political power. Furthermore, it fails to account for the opportunities, constraints, implications, and consequences this might have for strategy and tactics. While this may be an honest omission, more sinister readings may suggest that these silences are a deliberate attempt to foster an analysis and, therefore, strategy and tactics that suites a political purpose which seeks to benefit a particular understanding of the National Democratic Revolution (NDR) - now typecast as a National Democratic Society (NDS). The clues for this are manifest in the discussion document.

“The National Democratic Society” is a curious term - a stranger to the discourses of the ANC and its alliance partners. While new contexts may require new formulations, the tradition has always been one in which new formulations are painstakingly explained. With regard to the NDS, no such attempt is made, nor are its conceptual variants provided with any degree of veracity. It seems a curious conceptual leap, which ignores any relationship - real or imagined - between the NDR and the NDS. In so far as any relationship between them may be discernable, it is premised on a teleological relationship between mechanical progress of the NDR to a NDS reminiscent of the sometimes artificial debate between “national struggle” and “class struggle”. The apparent suggestion is that while the “national struggle” has resulted in a partly successful national democratic revolution, the stage is now set for the attainment of a NDS. This ignores the stratification of South African society across the divides of race, gender, ethnicity, class, sexual orientation, HIV status and ability, and

state that is perceived as uncaring, high levels of crass materialism and conspicuous consumption in the face of high levels of inequality and poverty, marginalisation, estrangement and alienation from community and society. It includes an allusion to a high and predatory capital accumulation path that is the outgrowth of the current economic logic based on a voluble free market in which obscene executive pay levels, bonuses and share options are regularly dispensed. The terminology is not meant to be essentialist or conservative; it is meant to juxtapose a civic morality which can be defined as a social and individual disposition that works to establish consensus on common values and a culture of common and reciprocal social and political norms, values and standards among individuals, groups and institutions in a society, and predisposes them to abide by social and political (or public) authority, laws, rules and obligations, and places upon all in a society duties and responsibilities to act in ways that maintain the integrity of individual rights and public order that are just, equitable and fair. It promotes social control through respect for authority, established democratic, constitutional, legal and social norms and established legal procedure - where acts and behaviours, through either commission or omission do not infringe upon or inhibit the exercise of others rights and duties or hinder the disposal of their obligations. Overall, Civic Morality should contribute, and in part determine, a culture of public order and institutional integrity.

further ignores the remains and forms of ingrained inequality that have been the consequence of colonialism of a special type, a concept that was invoked earlier. These remain encapsulated in the relationship between power and powerlessness in the economy and society, in the workplace, in access to education, in the opportunities to work and access public goods and services. The logic on which the economy is based (still largely a free market one) ingrains inequalities not only between races, but (with the opportunities created for blacks through preferential procurement and black economic empowerment) also within communities. A substantial opportunity exists, in this regard, for greater government intervention and regulation in the economy. The key challenge in the current historical conjuncture would be to find an appropriate balance between addressing the rights that accrue equally to all South Africans (which in the case of the previously privileged minority includes property rights), with the kind of redress required by the majority. How then, should current relations of production and consumption change, where production depends on the labour of the majority and high levels of consumptive capacity remain with those directing production? How does a society go about changing patterns of accumulation to reduce gendered and racially defined poverty and inequality? Indeed, how does it eventually eradicate all forms of poverty and limitations of access to the goods, services and opportunities.

The failure of the Strategy and Tactics paper to deal with the national question in the context of deploying CST in the post apartheid context, underlines the value orientation and ideological absences in the paper. In addition, the explicit positioning of a simplified vision of a de-racialised society based on a set of humanist values - the national democratic society - is undercut by direct references to maintaining the conceptual logic of the current terms on which state, society, and market operate. This ignores the necessary antagonisms inherent within the different motive forces and social and other interest groups within the spheres of market, state, and society. Doing so is tantamount to ignoring historic and contemporary contextual factors.

2.3. COLONIALISM OF A SPECIAL TYPE AND THE NATIONAL QUESTION

In 1962, the South African Communist Party adopted a programme "The Road to South African Freedom", which profoundly influenced the approach of the African National Congress. Its defining thesis was that South Africa combined the worst features of imperialism and colonialism in a single national frontier - (CST). The Black population experienced typically colonial forms of national oppression, poverty, exploitation, and political exclusion. This promoted strong national identity with "no acute or antagonistic divisions among the African people".³

³ Cited in Colin Bundy: "A Rich and Tangled Skein: Strategy and Ideology in Anti-Apartheid Struggles" - Beyond Racism: Embracing an interdependent future. Page 65

In 1969 the ANC also adopted a new program at Morogoro, a statement of Strategy and Tactics, the first strategy and tactics document formally tabled and adopted by it. At that conference, it adopted key postulates guiding the struggle against apartheid. It argued that: "in the first phase, it is the complete political and economic emancipation of all people and the constitution of a society that accords with the basic provisions of our programme - the Freedom Charter". In addition the Morogoro conference also adopted CST's central tenets: the national liberation of Africans as the mainspring, guerrilla war as the strategy, and the democratic state with guaranteed rights as the outcome. Apart from these postulates, the Morogoro conference also served to provide a conceptual frame for the way strategy and tactics (S&T) in future years was to be understood. As such, it envisioned a separation between an outcome and an objective, and between strategy and tactics. The current S&T paper defines no real objective, and in so far as it does, an NDS, it is a vision without content.

This lack of content is evidenced by the failure to address the National Question within the framing of CST. Broadly defined, the National Question pertains to the oppression of one people or peoples by a dominant imperial or colonial power. One of South Africa's leading black intellectuals and current Minister of Arts and Culture, Pallo Jordan, argues that:

*The right to self-determination or to national freedom or independence does not apply to the dominant group, but is applied exclusively to the dominated and oppressed group. International Law as it evolved since 1945, including a number of United Nations General Assembly resolutions on South Africa, underwrote this interpretation of the right to self-determination. Neither International Law nor established tradition recognizes any right to self-determination by an oppressor group or nation. This is a right that can be claimed exclusively by the oppressed.*⁴

In the same vein, Yunus Carrim points out that "the National Question in South Africa has traditionally referred to liberation from white minority rule, the ending of the Bantustan system, and the political unification and integration of the country, and the creation of a single South African nation."⁵ For the ANC-led liberation movement, the content of the National Question has flowed from an understanding of apartheid South Africa as "colonialism of a special type". Essentially, apartheid was seen as comprising all the core features of colonialism, except that the colonisers (the white minority) and the colonised (the black majority) lived in the same territory. Hence the struggle was understood to be for the national liberation of the black, particularly African, majority.

⁴ Jordan Pallo Z. 'The National Question in Post 1994 South Africa.' Discussion Paper in preparation for the ANC 50th National Conference, African National Congress, August 1997.
<http://www.anc.org.za/ancdocs/discussion/natquest.html>

⁵ Carrim Y. 'The National Question in Post Apartheid South Africa - Reconciling multiple identities.' South African Communist Party. African Communist No.145, Third Quarter 1996.

The National Question as currently defined in the ANC National General Council's discussion document is:

*...the liberation of blacks in general and Africans in particular, the creation of a non-racial, non-sexist, democratic and united South Africa with a quest for a single united nation with a common overriding identity, and resolving the antagonistic contradictions between races, and combating tribalism, racialism and any other form of ethnic chauvinism.*⁶

Many have postulated that the National Question entails addressing the issues of race, racism, culture and identity. That much it is, but also a lot more. "Confining the National Question to issues of ethnicity, race, culture and identity, ignores the fact that these issues are implicated in the social contradictions and distortions inherited from apartheid. To do so evades the intersection of race and oppression and the racially defined coincidences of being black and poor."⁷

The other limitation in the current S&T document is that it does not account for the changed and changing material conditions in contemporary South Africa. For one, the conditions under which a CST analysis was thought to be appropriate have changed. There are now decidedly acute antagonisms and divisions amongst the black people in South Africa, in terms of class, employment, education, the economy and opportunity and to a range of goods and services. This is in stark contrast to the 1962 postulation of "no acute or antagonistic divisions among the African people". The second is that it would be hard to sustain the argument that South Africa in 2007 - with a sound Constitution, a Bill of Rights, a growing economy [albeit without substantial redistribution], and a shift in political power [at least formally] - is a country in which Blacks continue to be politically oppressed.

This lack of contextual and ideological coherence is hardly surprising, given that it comes in the wake of the decline of the grand narrative of a stark and polarised ideological division inherited from 1789 - between the "left" and the "right". Or, antagonisms that are more commonly cast as the opposition between socialism and capitalism, which seems increasingly anachronistic in a post-industrial, technological, convergence, and information driven world. This is not tantamount to a rejection of ideology; or casting it to the rubbish bin of history; but perhaps, the beginnings of a project to re-invent it, to give currency to ideas that account for the complex and often contradictory impulses and consequences of the interplay and intersection between society, state and market. Seemingly, the discussion of the motive forces does not privilege either one or other of these actors, but allows them to assume and play an appropriate and meaningful role as befits their relative strengths.

⁶ 'Discussion Document: The National Question.' African National Congress (ANC) National General Council 2005, <http://www.anc.org.za/ancdocs/ngcouncils/2005/nationalquestion.html>

⁷ Ebrahim Fakir, 'The National Question in Context' in Omano Edigheji (ed) *Trajectories for South Africa Reflections on the ANC's 2nd National General Council's discussion documents*, Policy: issues & actors, Vol 18 no 2, Centre for Policy Studies, June 2005

2.4. THE LACK OF A COHERENT IDEOLOGY

As such, what seems to emerge from the ANC's S&T document is a cobbled together idea of progressiveness, or a progressive politics, hinged on a partnership between the state, (civil) society and the market. The weakness, however, is that while the S&T document is meant to be overtly political, it lacks a politics - at least in its attempt to redefine the ideological terrain - the key postulate that political ideas/constructs need to be moulded by the social and historical circumstances in which they develop and the political ambitions they seek to serve. As such, they must acknowledge the constant interplay between ideas and historical and material forces that must consequently coalesce into the instruments and tools of the party, or government, or state for execution and administration, i.e.: laws, policies, institutions, procedures and processes. The seeming suggestion that emerges from the S&T document is that there are no absolutes in this regard. Everything is negotiable. That is appropriate, as adaptability and flexibility are key requirements for a strategy and tactics in a context that is fluid and dynamic - rather than static and fixed. But this negotiation seems premised on a set of values that have no anchoring, or relation to the ultimate vision of a socially just society [the objective], the modes and mechanisms through which this will be achieved [strategy] and the adaptable, responsive and flexible tools and instruments that will be used to achieve this [the tactics].

2.5. THE DISAPPEARANCE OF DIALECTICS

In this ideal of progressivism, there is recognition that the relationship between state, market, and society is a complex one. But its complexity is underscored by the fact that the roles of each sphere/motive force are always envisaged as progressive and engaging - hoping that the consequence of such engagement will be social justice; that in and through this process, these spheres will become "social partners". That is, the state regulating and directing surpluses in the economy, providing welfare nets for the poor and marginalized, providing public services and enforcing and enabling the realisation of citizen rights, providing effective and efficient public goods and services and mediating and intervening in the imperfect market. It envisages the market creating jobs, wealth, enterprise and innovation, raising living standards and contributing to options in leisure and recreation; society being the site for engaging both state and market, realising culture and identity, promoting social integration, cohesion and solidarity. While this variant of social democracy may well be the objective, as posited by the S&T paper, it says little by way of what the envisaged role of the motive forces within this framing would be. In addition, while the vision as such may be appropriate - despite the recognition of the complexity of their respective envisaged roles of the state, market, and society - the interaction between them is rarely that simple and codified. As the paper stands, the identification of the motive forces and the construct of their role should determine what the role and function of each should be, it is not spelt out in a coherent political programme for each of the motive forces. Even probing whether some of the motive forces may be subjective forces in any kind of

political programme, is neglected. The formulation of a role for some of the motive forces is so vague as to lay open the possibility and opportunity for a hegemonic motive force - either at the level of state or market - to be so rapacious so as to turn society into a breeding ground for rapacious license. This would express itself in two ways: either as a predatory state and a rampant market or, worse still, the combination of a predatory state and rampant market, each of these being inimical to the very idea of progressivism. This potentiality is the consequence of the absence of a "dialectics" in the S&T paper - particularly a dialectics that accounts for an appropriate role and function for state, society, and market and their relationship to each other, as well as identifying a role for the motive forces within each of the arena's of state, market and society.

2.6. CALLING THE THING BY ITS NAME

In addition, recognising the complexities inherent in the relationship between state, society, and market is not the same as acknowledging that their interactions often spawn contradictory impulses. In the first twelve years of South Africa's transition, these contradictions have crystallised around the following stratifications across the divides of race, class, gender, ethnicity, sexual orientation and ability (recently health status regarding HIV status has entered this discourse). The concentrated expression of these apparent contradictions, both the social contradictions inherited from Apartheid and the continuing contradictions spawned by an evolving and dynamic transition, provide a useful background against which to locate the strategy and tactics document.

In South Africa, however, the objective material conditions that pertain, are in essence, determined by the contextual particularities and peculiarities of its legacy. That is, by its legacy of Apartheid colonialism, of manifestations of late imperialism in particular forms of globalisation and the consequent vigour of a relatively voluble free market and their confluence and expression through either successive repressive apparatuses of state authority [Apartheid], or particular forms of economic distribution [Apartheid Capitalism] or political and economic domination and subordination [Apartheid Capitalism and Globalised Neo-liberalism]. The objective conditions of the moment are further shaped by the struggle against these manifestations, evident in certain historical periods of protest and resistance, and, latterly, efforts at transforming the nature of the South African State, South African society, and its political economy. By and large, current social and political conditions are particularly shaped by developments in the aftermath of the struggle against Apartheid, and by the transition from racist authoritarianism to a largely liberal democratic trajectory with elements of radical social redistribution. Consequently, the transition of formal political power in South Africa has been characteristically unique, typified as part successful revolution, part the result of shifts in international balances of power, and possibly, part negotiated settlement.

Any such characterisation of a transition, South Africa's in particular, bears profound implications for the political space that consequently becomes available and that can then potentially be contested by social or motive forces and this needs to be accounted for in the strategy and tactics document's reconceptualisation of the shifting relations between individual, society, economy, state, and the international system.

Moreover the unintended consequences that have been spawned by the first twelve years of being in government must be recognised. The mythology of the post-Apartheid state as both transformatory and developmental faces a crisis in that many of the assumptions about its ability to wield power for fundamental transformation of the economic accumulation and distribution regime, and for the delivery of developmental public goods and services, seem to be configured in contradictory ways. As a case in point, National Treasury statistics illustrate that a consistently expansionary budget over the last four years has resulted in government spending of almost "R60 billion or about a fifth of the budget on direct transfers to households. If indirect transfers to households such as free basic water and electricity, bus and train subsidies and land transfers are added, then spending amounts to almost 70% of the budget".⁸ This is a remarkable achievement. Yet, there are questions about why high levels of poverty persist in the context of such high levels of government expenditure, or even why there are perceptions of high levels of government inefficiency as well as why there is serious dissatisfaction with service delivery as evidenced by the estimated 700 social protests over the last ten years. How and where do these motive forces fit in the relationship between state, society and market? What does the S&T document say about unravelling these co-incidences and contradictions? To make matters worse, the absence of an adequate account for contextual factors raises the issue of an inability to grapple with vexing contradictions that undermine development efforts, rather than enhancing them. For instance, there is evidence of conflicting policy options in which the poor almost always lose out. It emerges that in a particular "province there has been a realisation that whilst there are only 3 publishers producing learner support materials, that province had opted for a BEE strategy in line with policy imperatives which, on reflection buys 30% fewer books for learners. They have now opted to focus on maximising the quantity of books that they can purchase. This change of procurement will fly in the face of Black Economic Empowerment policy, but the province is taking a decision, which, in effect, favours the poor. Similar stories can be told in health care, refuse removal, policing, court prosecutions or traffic enforcement. In many areas of public service delivery, the quality of services received by the poor is not good enough relative to the money spent".⁹

⁸ "Bridging the Gap Between Two Economies", Fourie R and Ngqungwana T, *Service Delivery Review*, Vol 3, No.3, 2004 page 6

⁹ "Budgeting challenges in the developmental state"- Speech by the Minister of Finance, at Senior Management Service Conference, Cape Town; 20 September 2004

2.7. CONCLUSION

The disjuncture between public spending, its effects and outcomes, as well as between the co-existence of advanced modes of development, production and capital accumulation coexisting with underdevelopment and primitive modes of subsistence are issues that the strategy and tactics document ought to address. Potentially, this could have been addressed by advancing an argument that consigned and defined particular roles to the state, market, and society, as well the dialectical relationship between them. That would provide the basis on which the ANC as a mass-based multi-class movement would mobilise social and other motive forces within those spheres to play a principled role in advancing social transformation within them. In addition, it would provide the basis on which the ANC - through levers of the state and the instruments of government - would advance in each of those spheres. Doing so through this strategy and tactics paper would have been a key moment in which to define the ANC's role as mass movement and as party in government. This missed opportunity has further prejudiced anchoring the ANC within the grand tradition of the Freedom Charter and providing an explicit commitment to the value that underpins the maxim that South Africa - and its resources - belong to all who live in it. Within this frame, while the advancement of Blacks in general, and Africans in particular, is necessary and fundamental, the stress on African leadership and the focus of redress solely on the binaries of race, misses the opportunity to legitimise the transformation of society and the terms on which it operates. And it opens the space within society, state, and market for myopic private and predatory interests of whatever hue: Blacks, Africans, Monopoly Capital and the ascendant managerial and occupational class, to take root at the expense of a humane and caring society premised on the values of South Africa's Constitution. This is evident in the conceptual inability for tactics to be responsive to strategic objectives. Alternatively, in the fact that tactics can vacillate and be arbitrary and, therefore, put in place short term tactical political measures that take root and become modes and cultures of operation that are inconsistent with the strategies of the ANC as well as its overall vision of a free, open, democratic and caring society that South Africa seeks to become.

3

THE END OF HISTORY IS OVER

MICHAEL SACHS

3.1. INTRODUCTION

The most important decisions of the 52nd National Conference of the ANC 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.”¹⁰ All our policy discussions - as well as our approach to reshaping and renewing the organisation itself - will flow from this analysis.

3.2. 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, 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 Lenin in 1916, “unless we understand the general conditions of the period.”¹¹ 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”.¹²

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

¹⁰ Building a National Democratic Society: [Strategy and Tactics of the ANC]

¹¹ V.I. Lenin, *A caricature of Marxism* (1916), Collected Works Vol 23, p36

¹² Strategy and Tactics of the ANC adopted by the 'Morogoro Conference' of the ANC, meeting at Morogoro, Tanzania, 25 April - 1 May 1969 (www.anc.org.za/ancdocs/history/stratact.html)

in practical terms begun to grow into a struggle against exploitative relations, both feudal and capitalist".¹³ In the 1970's 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".¹⁴

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".¹⁵ On the basis of these global assumptions the Morogoro conference constructed its distinctive programme of national change. Whilst 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 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

¹³ 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.

¹⁴ Brutents, K.N., *National Liberation Revolutions Today*, Progress Publishers, Moscow, 1977, p310.

¹⁵ *Ibid*, pp311-312.

the offices of the World Bank and 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 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 universalization 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 throes, 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 nationalization 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).¹⁶

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, the representatives of 120 nations gathered at the other end of our continent in Marrakech, 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. The epoch of world

¹⁶ Hossein-Zadeh, Ismael, *Perestroika and the Third World, Review of Radical Political Economy* (1990) www.cbpa.drake.edu/hossein%2Dzadeh/papers/perestroika_and_the_third_world.htm.

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.

In Mafikeng we 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”,¹⁷ 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”.¹⁸ However, “these developments take place in a world in which the system of capitalism enjoys dominant say 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...”.

3.3. 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 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 the 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’”. Whilst “the situation of unipolarity also has secondary multi-polar features”, the overall explanation of the global system rests firmly on the concept of a

¹⁷ Bruents

¹⁸ Strategy and Tactics, as amended at the 50th National Conference, December 1997, www.anc.org.za/ancdocs/history/conf/conference50/strategyamend.html

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 which 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 USA is elevated to an even stronger position than was the case at Mafikeng - it has now become an irresistible ‘hyper power’¹⁹ - 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.

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 under-pinned 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”.²⁰ 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.”²¹

¹⁹ 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.”

²⁰ John Gray *The era of globalisation is over*, The New Statesman, 24 September 2001 [<http://i-p-o.org/globalization-gray.htm>], (emphasis added)

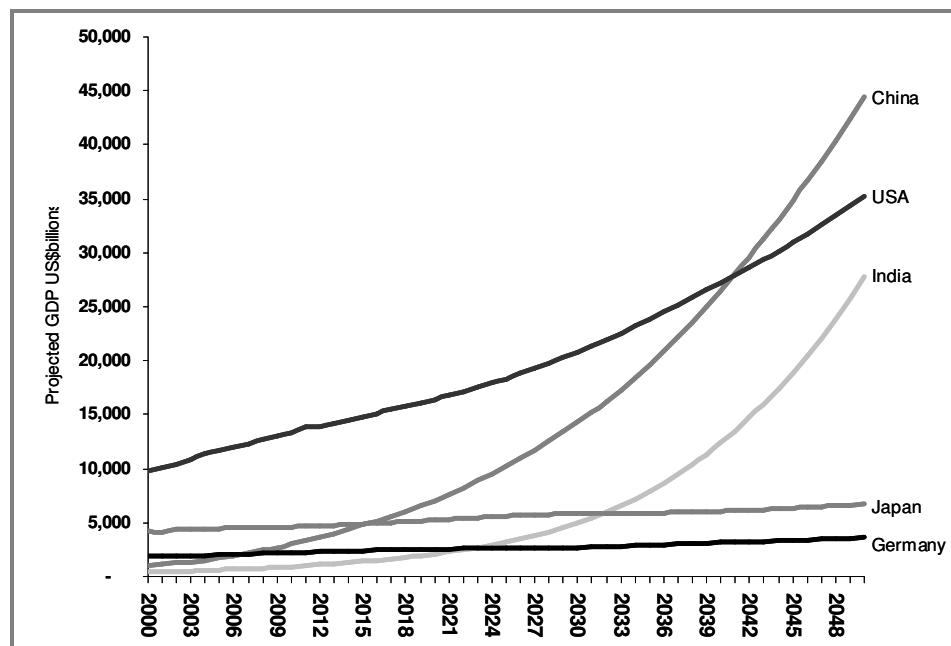
²¹ Speech by Wladimir W Putin, President of the Russian Federation, at the 43rd Munich Conference on Security Policy

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.

3.4. TRANSITION TO A MULTI-POLAR WORLD

If the twentieth century ended with collapse of the Soviet Union, the twenty first century has begun with the emergence of a new global power.²² 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".²³ 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.

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



Source: Goldman Sachs (2003)

²² Thanks to Langa Zita for this remark at the ANC Gauteng Workshop on Economic Transformation, May 2007.

²³ Wilson, Purushothoman: *Dreaming with the BRICs: the Path to 2050*, Goldman Sachs Global Economics Paper No99: 1st October 2003.

“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.*”²⁴

We are now in a period of transition which will not only change the centre of gravity in the global economy, but also transform the manner in which it 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 USA 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”.²⁵ 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 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.

²⁴ Sally, Razeen: *China’s Trade Policies and its integration into the world economy*, Paper prepared for the IGD/SALIA SACU-China FTA Workshop, Johannesburg, 28-29 September 2004. (emphasis added)

²⁵ 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.

3.5. 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, *laizzes 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 income's 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 inter-dependence is a thing of the past, or that the new technologies and global production processes 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 multi-lateral 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 election 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 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 oil-exporting nations. Whilst 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".²⁶ 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 inter-dependence 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".²⁷

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

²⁶ The \$2,500bn question: How sovereign wealth funds are muscling in on global markets Toy Tassel and Joanna Chung, Financial Times: Friday 25 May 2007.

²⁷ 'The new Seven Sisters: oil and gas giants dwarf western rivals', By Carola Hoyos, the Financial Times, 11 March 2007

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 subsidized loans to fund the reconstruction and development of Angola's infrastructure. Rather than allowing supply and demand to find a price in the global market place, this deal is more like a barter arrangement, where two governments have agreed to mutually beneficial arrangements which 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 in order 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 inter-dependence with the world economy. Chinese practice offers models of capitalist development which are at variance with the neo-liberal orthodoxies that continue to dominate Anglo Saxon economics. Whilst perhaps not socialism, the political economy of 'Capitalism with Chinese Characteristics' must force a rethink in our approach to economic development. 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 head the dominance of a new set of multi-national 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?

3.6. CONCLUSION: 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. Having realised political liberation, how will global transitions impact on our ongoing search for economic and social emancipation?

It would be a serious error if we were to strategise on the basis of the general conditions of a by-gone 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 or 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, there 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 hyper power 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."²⁸

²⁸ Building a National Democratic Society: Strategy and Tactics of the ANC (2007)

PART TWO

A Strategic Agenda for Organisational Renewal

4

TOWARD AN AGENDA FOR A NEW ORGANIZATIONAL CULTURE AND TRADITION

AUBREY MATSHIQI

4.1. INTRODUCTION

This is a critical year for the African National Congress (ANC) given the fact that at the end of this year it will be holding its national conference, five years prior to its centenary celebrations. When the party celebrates its centenary in 2012, the country shall have come out of the Mbeki era with the election of a new head of state in 2009. While there is some certainty that Mbeki will not seek a third term as head of state, there is uncertainty about whether the party will give him a third term as its leader. The manner in which the party has engaged with the succession process has resulted in the refraction of almost all debates about the ANC's future through the prism of the succession battle. With this article, an attempt has been made not to fall into this 'succession' trap. It, therefore, focuses narrowly on generic reasons behind any organisational review and renewal exercise and more specifically, but in a limited sense, on why it has become necessary for the ANC to conduct such an exercise. The ANC discussion document on organisational review and renewal is expansive and covers a wide range of challenges and issues. This article does not in any way pretend to be a comprehensive response to this discussion document. What it does is to make an input into debates about the future of ANC branches and the leadership debate.

4.2. THE RATIONALE FOR ORGANISATIONAL REVIEW AND RENEWAL

Political parties and other organisations conduct organisational review and renewal exercises for reasons that are either positive or negative or both, or in response to changes in the external environment and internal dynamics. Political parties engage in these exercises because of a combination of reasons.

- Such exercises are routine as part of the life cycle of a political party; they will conduct such exercises prior to events such as party conferences for no reason other than the need to comply with tradition;
- This exercise may also be necessitated by a desire to either consolidate or improve electoral performance or the political party's share in the political market;
- A change in the relationship between the party and state power;

- A change or anticipated change in the variables which determine the balance of power, forces and support in the national political environment;
- An internal crisis and/or the possibility of shrinkage in levels of support within the traditional support base.

According to the ANC discussion document, "Organisation is a central feature of all human activity" (ANC: 2007), and "the structure of an organisation is supposed to be a reflection of its cause: what it aims to achieve and how it hopes to do so" (ibid), but "this stated intent does not always materialise due to internal deficiencies experienced by many organisations in the course of their existence" (ibid). Despite the phenomenal performance of the ANC in the 2004 general elections and the March 2006 local government elections, it can be argued that the ruling party has started, thirteen years into our democracy, to exhibit characteristics that are usually associated with the phenomenon of 'political party decline'. Its rank and file has to some degree become disconnected from the centre, branch activities are dominated by dreary discussions that are centred around administrative issues and reports from upper structures, the image of the party has suffered from perceptions that party leaders are corrupt and engaged in a divisive battle for power, and the policy formulation process has become elitist and is dominated by those members of the ANC who are deployed in government. This is in part confirmed, albeit indirectly, by the authors of the discussion document who argue that, "Government office exposes cadres of most ruling parties to multiple dangers such as 'social distance', patronage, careerism, corruption and abuse of power" (ibid). They also argue that, "Many internal problems in the movement can always be attributed to the battle for access to power and resources" (ibid). More importantly, they warn that, "in the past thirteen years, the movement has accumulated weaknesses that afflict most ruling parties in the world. If not addressed urgently, these weaknesses have the potential to erode the capacity of the ANC to remain an agent for change and a loyal servant of the people" (ibid).

These views are probably at variance with those of some within the ruling party, given the fact that some members and leaders of the ANC have publicly and consistently denied that there is a crisis in the party, notwithstanding the fact that the secretary-general, Kgalema Motlhante, has expressed his understanding of the challenges facing the ANC in ways that are not dissimilar to the arguments above. Furthermore, the views above are partly consistent with the perception that the succession battle within the ANC has necessitated organisational review and renewal. While this may have some merit as an argument, it would be reductionist in the extreme to ignore the many other challenges identified in the discussion document and the many proposals its authors have put forward as part of this review and renewal exercise.

An attempt will be made, therefore, at examining some of the other challenges and recommendations within the limitations of the space available for a critique of the discussion document. But to the extent that the weaknesses identified by the authors of the discussion document may lead to some form of decline on the fortunes of the ANC, it is highly unlikely that, in absolute terms, they will lead to a negative electoral performance. The greatest

threats facing the ANC are a withdrawal from the electoral process by components of its support base, and the undermining of party cohesion and unity.

4.3. THE STATE OF ANC BRANCHES

The branch is the basic structure of the ANC. As a banned organisation operating underground before 1990, the ANC maintained its presence among the people through cells or political units which performed the primary function of mobilising popular support for the anti-apartheid struggle in communities and organisations around the country. Since 1990, as was the case before the banning of the ANC and other organisations, the branch is “the primary vehicle for maintaining and enhancing the mass-based character” (ibid) of the ruling party and is the “key driver of community development and local transformation efforts” (ibid). The performance of ANC branches is at best uneven and their state parlous at worst. The poor condition in which many branches find themselves can be explained in both qualitative and quantitative terms. Many have been robbed of political and other skills as a consequence of the deployment to national and provincial legislatures, the executive, public service and the private sector, of the more advanced cadres. In addition to robbing branches of their skills, the distance between these deployees and their branches has grown to the detriment of the qualitative development of the branch. This has, among other things, compromised the capacity of branches to engage effectively with policy matters and their ability to perform the oversight function over deployees. This corrosion of the qualitative dimension of branch input into organisational life as a whole, extends to regional and provincial structures and manifests in what seems to be either an inability or unwillingness to engage critically with the policy and ideological orientation of some of the leaders of the ANC, particularly its president. An example of this tendency has been the lack of response or uncritical responses to Mbeki's first economy-second economy thesis. The thesis glosses over the fact that the benefits of our economic growth and sound economic indicators are not the lived reality of many who are part of the ANC's main constituency. Debates within the party - partly because of the compromised capacity of ANC structures to engage effectively with policy issues - have not reflected the counter reality of one economy, not two, that has failed to deliver significantly beyond capital and the middle classes.

At a quantitative level, the ANC has averaged 400,000 members (ibid). This represents a large gap between the number of paid up members and those who vote ANC in elections. But this gap probably tells a partial story because the possibility exists that the 400,000 members do not represent desired levels of member participation in ANC branches. Another dimension of the quality-quantity dynamic is a failure by the party to attract young people, particularly young women and people other than Africans, in required numbers. The racial dimension of this problem may, in the long term, undermine the project of creating a non-racial future for party and country. In a broader sense, it raises questions about the synergy between the strength of ANC branches and the quality of our democracy. The intention, of course, is not to argue that the quality of our democracy is dependent solely on what happens in the ANC

because that would assume that the dominance of the ANC is an inevitability and a permanent feature of the national political landscape. What can be assumed is the role of apathy on the part of ANC members as an explanation for the underperformance of branches. Because the withdrawal of some members from branch life results from activities that are not politically and intellectually stimulating and the reality that some are constrained by the demands of their professions, the ANC needs to align the needs of members to different branch typologies. While the geographic branch can remain as the basic organisational structure, opportunities for enhancing participation can be created at two levels:

- Members can belong to a ward-based branch and at the same time constitute with others branches that are created on the basis of other criteria such as the proximity of work places, professions and a common interest in particular policy areas. While this poses the danger of elitism, the alternative is the current skills flight and brain drain. To offset the danger of elitism, the ANC may have to stipulate a minimum level of participation in the life of a ward-based branch with non-compliance resulting in a partial loss of membership rights and benefits. Also, the party can adopt the position that those branches that are not ward-based will not enjoy all the powers, functions and rights of a fully-fledged ward-based branch. Such adaptations would, for instance allow a group of members to form an e-branch or digital branch. What is important is that the ANC must not be denied the input of some of its members because of adherence to a rigid branch model.
- The establishment of a policy institute can give a different form of access to organisational life to those members who require a different form of engagement, which may include not belonging to a ward-based branch. These may be members who want to limit their participation to the sharing of a particular skill with the party. These may be members who, through the policy institute, may want to give input into the policy debates and processes. To accommodate this form of participation, the ANC may - in addition to different branch typologies - want to consider different types of membership with the understanding that certain types of membership will come with certain limitations.

In addition to the above, there may be a need to align the term of Branch Executive Committees to that of Provincial Executive Committees, in order to avoid the negative impact of the annual branch leadership turnover and its negative effect on continuity.

4.4. THE ELECTION OF NATIONAL LEADERS

What must drive debates about the election of leaders must be the recognition that organisations are not created by, but create traditions. Since political ambition will not always find expression in nefarious conduct of a nature that may compromise party unity and promote a culture of factionalism, the evocation of traditions that held sway in exile, the underground or Robben Island no longer constitutes a valid argument against open leadership

ances characterised by open declarations of interest in leadership posts. That the ANC is faced with the situation of “a growing tendency to carry out dirty character assassination and dissemination of lies about other comrades” (ibid), should be seen as an eloquent expression of the need for a more open and democratic process for electing party leaders.

This should start with the realisation that such change is dependent also on changing the way in which we elect national leaders such as parliamentarians and the head of state. Since, under the current system, the leader of the majority party in parliament will almost always be elected head of state, a case can be made for the direct election of the head of state by citizens. The ANC must, therefore, consider, the introduction of a measure that links the candidacy of those who want to lead the country, to the National Policy Conference and the National Conference in a manner that compels them to campaign within the party by presenting their policy platforms and putting forward arguments regarding their suitability in relation to criteria set out in the document, *Through The Eye of the Needle*. The way this is done may resemble, in some respects, a process modelled on primaries in the USA.

To protect the ANC from the effects of the subjective weaknesses of those they choose as leaders, a review of the powers that were conferred on the presidency of the party at its 1997 national conference, as well as a revision of the *Through the Eye of the Needle* document may be necessary. In addition to, or as an alternative to reviewing the powers of the ANC president, the party may want to take the option of limiting ANC presidential terms by aligning them to the constitutional stipulation regarding the head of state - despite the fact that the ANC will not produce the president of the country forever. This, in part, may settle the ‘two centres of power’ problem.

4.5. THE TWO CENTRES OF POWER DEBATE

The ‘two centres of power’ debate is probably driven by a tension between those who see benefit in having the positions of head of state and ANC president finding expression in either the same individual or different people, and for whom preference for either option advances or undermines private interests. The party must either take a position on the matter that anticipates times in its history when it will not be possible or even desirable to have the same person performing the joint functions of party president and head of state, or adopt an approach which seeks to guarantee the coincidence of the two positions in the same individual.

In support of the idea of uniting the two positions around the same person, the example of the separation of the position of ANC provincial chair from that of provincial premier is invoked because of the tension it has caused in some cases when the president of the party appoints as provincial premier, a person who was not elected provincial chair by branch delegates in a provincial conference. Taking this argument to its logical conclusion suggests that the president of the party must align his choice to the democratic decision of a provincial conference, or branch delegates, in electing the provincial chair. The National

Executive Committee of the party must, therefore, be the key instrument through which key deployments in government are made. But ways must be found of insulating members of the NEC from distortions in the deployment process that may result from patronage.

This, however, does not resolve the issue of the 'two centres of power' as it pertains to the presidency. What is important is that measures that are adopted must protect the party from bad days. If bad days are seen to be constituted by the separation of the two centres, the challenge is then that of managing and harmonising the relationship between the two centres. It is at such times that the ANC may have to rely on the leadership of structures such as the NEC. The best solution is flexibility. The party must leave the door open for the election as head of state of one who was not elected party president, in case it is not in the interests of the state and the nation to endorse the electoral outcome of an ANC national conference, by uniting the two centres of power in the wrong person.

In the end, those who enter the race for the presidency of the ANC must at times be guided by what the party calls 'revolutionary discipline' and choose what is right for party and country over the narrow consideration of what the constitution of the ANC allows.

46. CONCLUSION

Organisational review and renewal are not just about the technocratic re-engineering of structures. In the context of the ANC, they must also be about re-engineering the culture, values, tactics and strategies of the party in a manner that enables it to meet the challenges of its historical task and mission. To this end, the article recommends:

- A flexible approach to the adoption of branch and membership models;
- A re-examination of ANC traditions, organisational culture and values to assess their relevance in the current conjuncture;
- The linking of the 'two centres of power' debate to the debate about electoral reform with specific reference to the debate about direct presidential elections;
- The amendment of the *Through the Eye of the Needle* document to bring it in line with the post-1994 challenges of leadership; and
- An amendment to the constitution of the ANC, which limits party presidential terms.

4.7. REFERENCES

1. African National Congress (2007). Towards The Centenary Of The ANC: A Strategic Agenda For Organisational Renewal-Discussion Document On The Organisational Review. March 2007.

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A STRATEGIC AGENDA FOR ORGANISATIONAL RENEWAL: MUCH ADO ABOUT NOTHING

PROF SIPHO SEEPE

51. INTRODUCTION

The ANC's dominance of the political terrain is beyond question. Drawing on the broadest range of social forces, it has mastered the art of mass mobilization. Viewed through a national lens, the movement can claim that its success is unparalleled. The ANC's electoral performance is, however, typical of the performance of most liberation movements within the first decade of democracy. However, developments within the party, both in and out of government, indicate that all is not well. Being in power has introduced a qualitatively different dynamic, which calls for organizational introspection and review. The ANC's Strategic Agenda for Organizational Renewal (SAOR) document seeks to address this.

52. RECIPE FOR SUCCESS AND RESILIENCE

The discussion document (SAOR) correctly argues that this success is not a result of sheer luck. Features which enabled the ANC to overcome challenges - which other liberation movements failed to develop - range from its cultivation of a cadre of visionary leadership; the development of the theory of the South African revolution based on a concrete understanding of the global and domestic environment, ability to outline a clear vision; crafting of strategic objectives and specific tactics at each given moment; development of a capacity to mobilize a broad range of classes and strata around a common progressive vision; skillful management of contradictions among varied social forces and maintain their unity in action; ability to turn major setbacks and crises into opportunities for collective reflection and organizational learning; application of principles of constructive criticism and self-criticism; and "commitment to fight for justice on a global scale, always ready to join hands with other progressive forces in the struggle for a humane and more equitable world order."

These features, we are told, are the main source of the ANC's enormous capacity for internal resilience and self-renewal. They are its internal defence mechanism that has seen the movement grow from strength to strength, always able to adapt to radical changes in the domestic and global environment. The ANC has been able to adapt to change while maintaining its primary mission and character as the principal mobiliser and unifier of the motive forces and a loyal servant of the people. The interests of the people, especially the working class and the poor, constitute the starting point and fundamental goal of ANC policy.

5.3. THE CONTEXT OF POWER AND POLITICAL DISAFFECTION

However, the now familiar widespread protests, the recent public servants' strikes, and the continuing bloodletting within the ranks of the ANC are beginning to put to question claims that the organization will continue to "enjoy the overwhelming confidence of the masses as a trusted leader and loyal servant of the people in the ongoing struggle to build a better life for all." Never before have so many people taken to the streets to challenge the ruling party. During the apartheid past, it was the ANC and its alliance that were in the forefront of these mass protests. Today, the ministers who represent the core leadership are the targets and recipients of people's anger. In this instance, state power is at loggerheads with mass power.

Aside from the protests and strikes, disaffection, withdrawal and disengagement is becoming a feature of political life of post-1994 South Africa. This disaffection extends to the youth. To entice the youth, the ANC has resorted to employing desperate measures such as turning political rallies into musical jamborees. This is not a renewal, but a reflection of political desperation and bankruptcy. Indeed, the appeal of political rhetoric and revolutionary slogans is fast receding. Being in power adds a different dynamic - a dynamic that qualitatively changes the ANC's relations with the working class and the poor. Before 1994, the ANC's strength was located in the people. They were the only source of power. With state power, the ANC has access to other forms of power, such as the military, the police, intelligence and the state bureaucracy. The organization has deployed its cadres to lead the state's repressive apparatus. In such a power dynamic, unity in action cannot be assumed in the context of a liberation movement that has ascended the throne. Power has its own logic, which is not always reconcilable with the interests of the powerless.

5.4. HONEST APPRAISAL

To its credit, the ANC does not shy away from acknowledging the cancer that afflicts the movement. It observes:

Across the organisation and the broad democratic movement, there is a growing tendency to carry out dirty character assassination, and dissemination of lies about other comrades has reached uncontrollable proportions. Discussions on leadership tend to assume greater significance in our conferences than the debates on strategy, policy and programme of transformation...The battle for access to power and resources is becoming the primary driving force behind most of our conferences and list processes.

With regard to selection/election of leaders, including that of candidates for President of the Republic, Premiers and Mayors, it questions whether the current approaches are appropriate to serve the organization into the future. Indeed, the question of centralization of power has proved to be a source of conflict and disgruntlement within the movement and its alliance partners.

The ANC is alive to these challenges. Commenting on the impact of power, the discussion document notes;

as we seek to transform and use power, it also impacts on individuals and the political organisation that is in power. Many popular movements and parties end up getting isolated from their social bases when they are in power, a phenomenon called 'social distance'... Ruling parties are afflicted by problems such as corruption, careerism, patronage, etc. The management of the relationship between the party and the state can also create serious challenges unless the party is appropriately structured and properly resourced to give leadership to its cadres in all spheres of society.

The strategic agenda for organizational renewal must respond to this challenge. How does the organization respond to the challenge of being in power while it remains a liberation movement?

5.5. CONTRADICTIONARY IMPULSES: DEMOCRATIC CENTRALISM VERSUS DEMOCRATIC PRACTICE

Instead of transforming itself into an electoral party, the ANC decided to remain a liberation movement in power. This enables it to continue to derive dividends arising from its revolutionary past. This way, it can strengthen its mass-organizational work while improving its governing capacity. The widespread protests and national strikes indicate that such an arrangement may be more illusory than real. Evidently, the organized masses have not been sufficiently duped by this blurring of lines between liberation movements and the post-emancipation ruling party elites.

The context of power and democracy calls for different approaches to those of a movement of the oppressed. Nothing exemplifies this more than the ANC's subscription to democratic centralism. The principle argues, "that the decisions of the majority are binding on all members and that the decisions of upper structures are binding on all lower structures." Crudely stated, if the NEC were to make nonsensical pronouncements and decisions, they will be binding on the rest of the organization. The unstated assumption is that the upper structures are peopled by the best minds in the organization. If the debates about HIV are anything to go by, this assumption is at variance with reality. If anything, the NEC displayed the most shocking organic subservience to power. It took civil society, the courts and vocal groups like the Treatment Action Campaign (TAC) to force it to make appropriate pronouncements on the issue.

Most importantly, this decision-making and operating principle makes nonsense of deepening democracy and some of the proposals advanced by the document. In the words of Joe Slovo, democratic centralism led to unbridled authoritarianism and a steady erosion of people's power both at the level of government and mass social organizations. Elected officials, trade unions, women's and youth organizations were "turned into transmission belts

for decisions taken elsewhere and the individual members were little more than cogs of the vast bureaucratic machine"(<http://sfr-21.org/failed.html>).

In reflecting on the failure of the Soviet Union, Slovo's observation is apposite for the present conjuncture in South Africa. He observes:

The concept of consensus effectively stifled dissent and promoted the completely unnatural appearance of unanimity on everything. Fundamental differences were either suppressed or silenced by the self-imposed discipline of so-called democratic centralism. In these conditions the democratic development of party policy became a virtual impossibility (Slovo, <http://sfr-21.org/failed.html>)

The document does not sufficiently deal with this reality. It does, acknowledge however, that the movement has accumulated weaknesses, which if left unattended, may erode its capacity to remain an agent for change and a loyal servant of the people. Indeed, commitment to a life of self-sacrifice, courage, honesty, generosity, humility, truthfulness, integrity, temperance and service to the people have been supplanted by patronage, careerism, corruption and abuse of power.

Unsurprisingly, the organization is conflict driven. The document observes that at times the ANC operates as if there are two ANCs, one in government and the other outside government. It blames this on the fact that new recruits join the ranks without a proper system of socialisation and politicisation. Fraudulent practices such as inflating membership are commonplace. And, in other cases, individuals join the ANC as a means to pursue their own selfish interests. A combination of all these factors and developments results in the erosion of the ANC's ideological base, moral authority and intellectual vibrancy.

5.6. AVOIDANCE OF THE INTELLECTUAL/IDEOLOGICAL CHALLENGE

While alluding to the imperative of running political education and focusing on ideological training and debates, more space is devoted to technocratic processes on how to turn the ANC into an efficient administrative machinery. The organization has developed "a durable smart card that offers many possibilities for future innovations. We are now finally focusing on addressing the administrative and technical deficiencies of the current system so that the system can meet the political and operational efficiency requirements."

The rest of the document deals with the role and performance of branches, regions, and national structures. It argues that "a great deal of flexibility should be given to branches to set up creative structural mechanisms that will optimise their ability to respond to the specific geographic circumstances and socio-economic interests of their diverse constituency". This notion of creative space runs the entire text. However, consistent with the notion of democratic centralism, one gets a clear sense that the creative space is less about nurturing critical thinking and self-examination but is intended purely for functional purposes so that members of these committees remain mere functionaries.

It is when dealing with matters ideological and/or intellectual that the document is most disappointing. While recognizing the centrality of the battle of ideas in the creation of a united, non-racial, non-sexist, and democratic society, public and private engagement reveals the opposite. The practice of dismissing, character assassination, and labelling is to be found at all levels of the movement - from the Presidency downwards.

To facilitate ideological renewal, the document proposes the establishment of the ANC Political School. The School, offering a centrally crafted curriculum and accredited courses, is to be run on a formal and professional basis. Areas to be covered include: theory of revolution; organisation and mass work; statecraft; economic and social policy; and international relations. Distance education technology will be used to reach out to as many ANC members as possible. The induction is compulsory "for newly-elected and newly deployed cadres such as NEC, PEC, REC and BEC members, as well as the Ministers, Deputy Ministers, Premiers, MECs, Mayors, MMCs and other categories of public representatives and cadres in administrative positions". What the ideological content entails is not clear. None is evident from pronouncements and writings of members of the ANC. What passes for ideology has been meaningless political and revolutionary rhetoric.

The envisaged Policy Institute and the Political School are strange creations in a country where education is itself in a crisis. If schooling and higher education fail learners with all the resources at their disposal, one wonders how the ANC proposes to succeed. Careful reading suggests that some of the items, such as financial management, fundraising, economic and social policy, could be better handled by existing educational institutions. The proposal amounts to a declaration of no confidence in the current system of education.

5. 7. CONCLUSION

In the final analysis, the document fails to grapple with the intellectual challenge imposed by the complexity of democracy. To oppose apartheid was easy. The complexity of governing, the corrupting culture of power, vulgar accumulation of material wealth, personal interests and accompanying moral and political decadence, cannot be wished away by appeals to the glorious past. Technocratic solutions are unlikely to address ideological challenges posed by democracy. The ANC cannot sustain the notion of being a liberation movement while it remains a dominant ruling party. It is either in office or in power. It cannot be both. The resolution of this contradiction would require more than acknowledging weaknesses and challenges.

PART THREE

Economic Transformation

6.1. INTRODUCTION

The African National Congress (ANC) 2007 Policy Conference Discussion Document “Economic Transformation for a National Democratic Society” is a powerful and sophisticated statement of strategies and goals. Among its key strengths I would underline the following: 1) Clear emphasis throughout that economic transformation is a process that must be analysed in terms of political economy, that neither goals nor means can be reduced to abstract equations separated from political choices and organization; 2) Clear appreciation for the essential role of the state combined with acknowledgement that traditional models of the developmental state, derived from the experiences of East Asia a generation ago, must be modified substantially; 3) Continual emphasis on the intrinsic connection between broadening access to productive assets and opportunities and achieving economic transformation.

As debate and discussion continue, the question of how much focus should be put on investment in human capabilities will unquestionably be an issue. The issue is relative emphasis: investments in plant, equipment and physical infrastructure aimed at increasing the output of goods vs. investment in human capabilities aimed at increasing the productivity and well-being of the citizenry. Obviously, both are necessary, but, in the view that I will advance here, greater emphasis on human capabilities is more likely to lead to sustained economic growth, as well as to greater well-being. This “capability approach” has implications for the political process required to guide the allocation of investment, as well as for the character of the investment.

I will elaborate the “capabilities approach” by discussing three inter-related themes:

- Capability expansion as investment strategy;
- The service sector as a source of livelihood for most citizens in a 21st century economy and as the site for the development of high return intangible assets; and
- The role of civil society in providing the developmental state with the strategic information necessary to define goals, calibrate implementation and ensure that investment is efficient and effective.

None of these themes will be developed in detail. Formulating programmatic policy suggestions is not the aim in any case. The points that I will underline have, in all likelihood, already come up in the construction of the document. Should they be debated in more detail at the national conference, delegates will have considerable expertise to bring to bear on them. My aim is to highlight the potential value of further discussion on these issues.

6.2. CAPABILITY EXPANSION AS INVESTMENT STRATEGY

The document makes it clear that the “creativity and skills of the whole population” are the foundation of economic transformation (#5a).²⁹ Shortages of skilled labour are later noted as a “binding constraint” (#72d) and “skills development and education” are highlighted as key to defeating unemployment and poverty (#136-141). The emphasis on human capabilities as the most essential economic resource is one of the document’s strengths, but the discussion could be fruitfully expanded.

Both modern economic theory and historical experience tell us that human capabilities (and the institutions that give them effective expression) are what propel economic growth and improved well-being. In the absence of investment in human capabilities and construction of high quality institutions, the most promising natural resource endowments become a “resource curse”. Investment in plant and equipment also risks being ineffectual on its own. A quick look at the city of Detroit, Michigan, USA, is a stark reminder that all the investment in plant and equipment in the world cannot provide prosperity (or even jobs) without adequate complementary attention to human capabilities.

The current evolution of the global economy magnifies the importance of human capabilities. In the 21st century, economic advantage depends on the capacity to build organizations that can capture the potential of the ongoing revolution in information and communications technologies (see #93-96). This is true whether the economic product involved is a natural resource, a “non-commodity tradable” or a service. The foundation of such organizational capacity rests in turn on broad development of human capabilities. The modern economy is also one in which “intangible” assets carry the greatest returns. Design and marketing create the returns to manufactured goods. From software to drug patents, those who control ideas reap the greatest rewards. The most important kind of capital resides in human heads.

The concept of “human capital” only partially captures the importance of human capabilities. “Human capital” focuses attention on technical skills whose value is well reflected by market returns. The broader category of “human capabilities,” reminds us that the highest return investments of all are those that create the foundations for the

²⁹ #'s in parentheses refer to the numbered paragraphs in the policy discussion document.

subsequent development of skills and technical prowess. Investment in early childhood health and education is the obvious case in point.

The centrality of human capabilities to economic growth has fundamental implications for the role of the developmental state. Since social returns to the expansion of human capabilities are substantially higher than private returns, private markets consistently and perennially under-invest in human capabilities. Instead, markets channel investment to other areas where total returns are lower but private returns appear higher. Only if the developmental state takes aggressive, entrepreneurial action, will the magnitude of investment in capability-expanding services come to reflect their true total rate of return.

The human capabilities perspective helps underscore the potential economic importance of *Batho Pele*. Likewise, in a human capabilities perspective, the emphasis of the Expanded Public Work Programme (EPWP) on “home-based care, early childhood development and similar programs” (#127) should be seen not just as a way of generating employment and fighting poverty, but as high return investment with big potential payoffs in terms of subsequent economic growth.

6.3. THE STRATEGIC IMPORTANCE OF THE SERVICE SECTOR

A human capabilities perspective has strong implications for sectoral analysis of economic transformation. If the expansion of human capabilities is the most powerful form of investment in economic growth, then the role of the service sector must be given more attention. Services become, not just the principle source of employment for most citizens, but also the primary engine for accelerating productivity and growth.

This does not mean that other sectors can be neglected. Just as the agricultural sector continues to play a key social and economic role, even in advanced industrial economies, manufacturing will always be a key source of value-added. Nonetheless, even the most globally successful exporters of manufactured goods cannot rely on the manufacture sector to provide livelihoods for their citizens. From 1995 to 2002, the total number of manufacturing jobs in China shrank by 15 million. It now appears unlikely that formal manufacturing jobs will ever employ more than 15% of the labour force in the 21st century's “workshop of the world”.

Most workers depend on the quality of jobs in the service sector for their livelihoods and well-being. The discussion document notes (#124) that working conditions in the service sector tend to be poor and implies that there is “natural” tendency for service sector jobs to be under-rewarded. Most service jobs are indeed under-rewarded, but this is above all a political choice and an organizational challenge. As I have just argued above, the social returns to a large segment of service sector jobs are higher than the private returns. Prevailing wages do not reflect the full economic value of these activities. At the same time, there is an undersupply of services in key capability-expanding sectors like health and

education. Correcting these distortions requires aggressive action by the modern developmental state. Given the central role of public employment and funding in the service sector, channelling adequate resources to capability-expanding service sector jobs should be one of the principal preoccupations of the modern developmental state. Ensuring that key service sector jobs receive the rewards they deserve is also a challenge to the labour movement. As trade unions in advanced industrial countries are only now discovering, organizing workers in the service sector (especially the private service sector) requires new approaches, strategies and organizational techniques. Both the challenge to the developmental state and that to the trade union movement are key economic challenges that must be surmounted if growth is to be accelerated. Igniting the transformation of the service sector is at the heart of any 21st century strategy for economic transformation.

6.4. CIVIL SOCIETY AS A STRATEGIC INFORMATIONAL AND POLITICAL RESOURCE

One of the central principles underlying the role of the developmental state, according to the policy discussion document (#29), is that “People acting collectively in the spirit of human solidarity must shape the contours of economic development”. Consequently (#34) “the state must be buttressed and guided by a mass-based democratic liberation movement” within the framework of a “people’s contract” (#37). This is the essence of seeing economic transformation as a problem in political economy, rather than as a puzzle that can be solved by a technocratic formula.

Defining the combination of organizational structures that best enables effective collective action remains an unsolved theoretical problem. A human capabilities approach underlines the importance of this problem. Earlier versions of the developmental state emerged in small countries where levels of investment in human capital were already high and the immediate overall economic impact of increasing manufactured exports was likely to be large. The problem of informational inputs and goal-setting was correspondingly simpler, at least in the short run. Potential returns from investment in manufacturing could be projected by looking at earlier manufacturing successes (e.g. Japan) and engaging in intense dialog with would-be industrial entrepreneurs.

A large country facing a 21st century context in which expanding human capabilities is the core problem, requires a more complex framework of goal setting and informational inputs. Capability expanding services are always “co-produced.” Delivery to passive recipients produces results that are sub-optimal at best and counter-productive in many cases. Accurate information on collective priorities at the community level and effective engagement of communities as “co-producers” of services is the *sine qua non* of a successful 21st century developmental state. Without multiple channels of getting accurate information on collective priorities from communities of ordinary citizens, the developmental state will end up investing inefficiently and wasting precious public resources.

Amartya Sen's insistence on the centrality of democratic deliberation to economic goal-setting is, therefore, well-taken, but how best to implement this principle remains a conundrum. Enabling communities to decide which services are most crucial to their priorities for capability expansion, almost certainly requires multiple deliberative arenas. Party organization must play a crucial role, as must labour movement organizations. Community-based organizations are an essential complementary source of information about the effectiveness of investments, as well as central organizational tools in the "co-production" of key services. Given the strategic role of women in the co-production of capability-expanding services, organizations in which women play leadership roles are likely to be particularly important.

How to simultaneously develop these various organizations as deliberative arenas and handle the inevitable conflicts that will arise among them is one of the biggest challenges. "Civil society" is a complicated beast, full of conflicting particular interests and rife with individuals and organizations claiming to represent the general interest. These complications serve to underline the fact that the "information and communications" challenges most crucial to economic transformation are not technical but social, political, and organizational.

6.5. CONCLUSION

Even if the capabilities approach is eventually rejected in favour of a more traditional way of thinking about economic transformation, debating these issues should be fruitful. The basic economic propositions are straightforward. Human capabilities are the primary motor of economic change. Therefore, long term rates of economic growth depend on levels of investment in human capabilities. Since the divergence between social and private rates of return leads private markets to chronically under-invest in human capabilities, the developmental state must play the leading role. In practical terms, this implies increased public investment in capability-expanding services, of which health and education are the most obvious examples. A capability focus has the additional advantage of not only promoting growth, but simultaneously enhancing well-being. Not all economists will agree with these propositions, but they are consistent with what Stiglitz calls "modern economics," which views the idea that economic growth can be propelled by the accumulation of capital in the form of plant and equipment as antiquated.

Like any strategy for economic transformation, the capabilities approach has political implications. In an earlier generation, traditional developmental states could formulate initial strategies of economic transformation on the basis of interactions with industrial elites. Even if this were politically feasible for modern developmental states, it would be economically ineffective. The co-production of capability-expanding, growth-enhancing services requires information too complex and too grounded in community choices to be extracted by a top-down technocracy. Nor can the required information be gained through interaction with elites. The broad-based deliberative processes advocated by Sen are, as he

admits, very “messy”. Such “messy” democratic processes are, nonetheless, the only basis on which the modern developmental state can secure the information it must have to efficiently allocate the public resources for which it is responsible.

In the end, these general propositions are valuable only insofar as they stimulate debate on specific policies. As they stand, they are not policy statements. Embodying them in specific policies and programs would be a further intellectual and political challenge. To the extent that further debate supports their plausibility, discussion of their programmatic implications would be the next step.

7.1 INTRODUCTION

"Economic Transformation for a National Democratic Society" is in our view undoubtedly the second-most important document in the conference discussion papers, second to the Strategy and Tactics document. This document is very important for at least two reasons. Firstly, it seeks to provide a consensus-driven strategic framework for the direction of the transformation of the economic base of our society, and it seeks to provide forms of organization required to effect this transformation.

Secondly, the issue that is at the heart of this document has always been at the centre of national liberation struggles. Borrowing from Amilcar Cabral³⁰, a people that does not own, and is not in control of, their national productive forces will never determine their historical destiny. The document therefore attempts to bridge the gap between ownership and control of the South African productive forces on the one hand, and the aspirations for total independence of the African people of South Africa from what has been dubbed "internal colonialism" on the other.

A few technical notes are in order before proceeding. In reference to the document under discussion, I shall simply refer to it as "the document". Since the document is written in point form, I shall conduct the discussion with specific reference to the points, which I will put in brackets.

The strengths of this document lie in the following areas:

- **Search for a consensus-driven economic strategy.** Over the past 10 years, and despite the adoption of Gear by the ANC in 1997, tensions over economic policy have one way or another, been premised on the Gear strategy. This indicates that the consensus the document seeks to build now extends beyond the confines of ANC membership. This is a positive development, since it begins to assert the view long held by the founders of the movement, that the ANC is an organization of the people and that consensus-seeking must move beyond the confines of the ANC itself, to the people in general.

³⁰ The Weapon of Theory: Address delivered to the First Tri-Continental Conference of the Peoples of Asia, Africa and Latin America held in Havana, 1966.

- **Articulation of the economic base and required state of a national democratic society.** The document is bold to assert that the society it envisions would be based on a "mixed economy, where state, cooperative and other forms of social ownership exist together with private capital in a constructive relationship, and where democracy and participation lead to growing economic empowerment" (5d). This continued commitment to social forms of control and ownership of the economy is a positive development, and marks the beginnings of the return to a more radical conceptualization of national liberation. It may also be argued in this connection that policy discussions over the past decade were focused on macro-management, and now questions of ownership and control within which this management is to be carried out, are coming to the fore. Therefore the next decade is one of debates over forms of ownership and control of the national productive forces.
- **Technical outline of the state-form towards a national democratic society.** The strongest part of the document is contained in points (26)–(57), especially from (39)–(57). This latter section draws heavily from the experiences of the ANC in government; experiences that were also articulated in the 2001 bilaterals with Cosatu. In fact, and this anticipates our critique, the 2002 ANC input to the Bilateral with Cosatu provides a more powerful outline of the challenges faced by the ANC in government. I will return to this important contribution of the ANC below, and show that (26)-(57) may be strengthened by drawing from this contribution.³¹

The ANC Bilateral Input goes further to raise important questions about the need to articulate political mobilization and the capacity of the ANC-led state, with all its colonial distortions and class constraints, so that this "state-in-transition" becomes an effective instrument in advancing the national democratic revolution, rather than being a hindrance. Point (45) in particular, offers broadly correct and concrete steps towards improving the technical capacity of the state. A combination of bullet 3 and point (47) can be elaborated into a strategy to ensure consistency of policy implementation over time within the state.

There are, however, some problems with the document. These problems arise partly because of lack of specification of the reality that the document seeks to transform. Partly these problems arise because of lack of an economic framework that broadly outlines the relationships between mainstream economic variables and those variables that distinctly make the ANC, in contrast to the main opposition, a national liberation movement. Because of lack of such an economic framework, I find it very difficult to distinguish between the economic theory that underpins ANC policy, and the one that underpins the main opposition. To make my points, I will focus on following issues: vision of the national democratic society; assessment of successes and challenges in the era of liberation; and building the developmental state. I will then conclude with an outline of how the document can be

³¹ Cosatu's contribution to the 2001 Bilateral with the ANC is also very useful, and can be used to elaborate more on the three forms of property ownership highlighted in (5e).

strengthened and reformulated in order to concretely cement the unity of the motive forces of the national democratic revolution.

7.2. VISION OF THE NATIONAL DEMOCRATIC SOCIETY

From a basic theoretical point of view "the economic base of a National Democratic Society", like the economic base of any society, is made up of two aspects: the material productive capacity of the society, and the forms of ownership and control of these material productive forces. It is to the latter aspect that I focus my comment. In (5) the document provides seven characteristics of the economic base of the national democratic society, two of which deal with the material productive capacity of such a society [(a) and (c)] and five of which deal with forms of ownership and control of this productive capacity. The weakness in the document is its static approach to production relations. It informs us that three forms of property ownership will characterize a national democratic society, yet it fails to give a conception that casts these forms of property ownership in their inter-connection and in motion. Let me elaborate a bit.

In (5e) the document outlines the future society as one where social forms of ownership "exist together with private capital in a constructive relationship". There are at least four problems with the formulation of (5):

- What are the historical tendencies of the economic base? The document does not specify which of these forms of ownership will preponderate in a national democratic society. It only appears very late in the document, in (58), that actually the approach of the ANC to the private sector is "informed by our understanding of the national democratic society as including a market based system that encourages competition and promotes labour absorbing activity. Whilst the state plays a decisive role in shaping economic development, the private sector is the main engine of investment, growth and employment creation". The document therefore proposes that the national democratic society is a capitalist social formation, driven mainly by private capitalism. Wealth accumulation under social forms of ownership will be circumscribed within the arrangement where private capitalism is the dominant means of social wealth creation. This has obvious implications for the politics of the national democratic society, especially the class character of the state in such a society.
- The document appears to have no confidence in co-operative forms of property ownership surviving in the future society. This appears to be the case because ample space is dedicated in the document to the role of the private capitalist sector and the state and state-owned enterprises in the economy, yet there is no outline of the role and scope of the co-operative sector in the future society. All we know is that

this sector will be present, the document does not specify how the co-operative sector will be developed and supported.

- No social order gives way to a new one without resistance. Because the document characterizes state and co-operative sectors as forms of "social ownership", I had expected that an alliance between these forms of ownership would be broadly outlined in order to foster an approach towards private capital. Instead the document enjoins the ANC in (36) to "master the science and art of crafting long and short term common platforms to ensure that all the motive forces of the national democratic revolution move in the same direction". This is not bad, but it begs a question: If the ANC is a multi-class movement, and suppose these classes are now in conflict, how can the ANC master the "science and art" without standing above these classes to craft a common platform?
- Logically if the ANC is a multi-class movement, it makes sense to view it as a terrain of class struggle, rather than as a "master of science and art". Viewing the ANC in this way helps us understand that the social forms of ownership envisioned in the document will be a product of class struggle, in which the ANC itself has to unambiguously position itself. This further means that the common platform that would emerge from within the ANC would itself be a product of active struggles, representing the interests of the class that would emerge victorious from that struggle.

In (36) the document inserts the character of the ANC in the discussion of the "strategic capacity of the developmental state". Instead, I had expected the document to provide the class character of the developmental state. After reading (36), one is left with an impression that the ANC wants to create a state in its own image of a "multi-class" organization. But this would be theoretically untenable. Point (36) therefore appears to be a diversion from addressing the class character of the developmental state.

Yet, drawing from (58), one can conclude that the document seeks to build a developmental state that is essentially capitalist, since it would preside over, stabilize and promote an economy wherein the "private sector is the main engine of investment, growth and employment". The ANC's bias towards the poor (i.e. the working class and poor peasants), should not rob us of an opportunity to understand and then take definite positions, regarding the power relations that are supposed to characterize the economics and the politics of the future society.

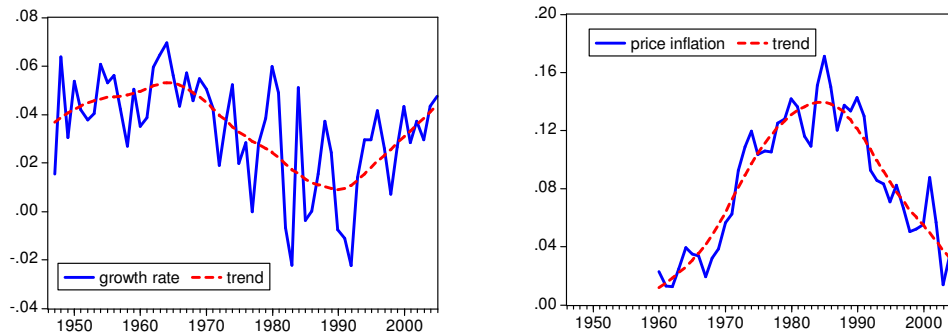
One frustrating point about the document's vision is the very thin, and sometimes non-existent, line between what the ANC stands for on the one hand, and the goals of the official non-liberation-movement opposition. In particular, points (5a)–(5d) and (5f)–(5g) are similar to what the official opposition wants. Who would, for example, differ with a vision of a "thriving and integrated economy", "an economy with increasing social equality and economic growth", "an economy that is connected to the world", "an economy with fair labour

practices" etc.? The only difference lies in the "mixed economy" part, which unfortunately the document fails to elaborate.³²

7.3. ASSESSMENT OF SUCCESSES AND CHALLENGES

In (20) the document opens with the following statement: "Looking back over the period since 1994 we can be justly proud of the following developments: a) We have created conditions for the longest expansion of the South African economy in recorded history...". The entire dynamics of the economy, in so far as these are captured by macro-data, contradict the claims that the current expansion, and associated developments, are due to ANC policies. These claims are all contained in (20a)–(20e). The only socio-economic development that we can proudly look back to is "the sustained growth of the black middle class", which is (20f). My argument is that the seeds of expansion were already planted earlier, prior to the ANC coming to power. What could be said is that the policies of the ANC gave momentum to a process that was already underway. These policies nevertheless appear to have given momentum to even the historically ugly aspects of our economy. In order to show why it is not correct to claim the current expansion as due to ANC policies, I present here a few diagrams from a study that is underway.

Figure 1: Growth rate and inflation rate



Source: South African Reserve Bank

³² The goals of the DA policy for example, are to eradicate poverty progressively, and to ensure adequate and rising living standards for all, the overriding short-term goal is...for the economy to grow at 6 percent or more, fair trade, encourage competition, etc. These objectives, and others scattered in the DA document, are not qualitatively different from (5a)–(5g), excluding (5e). Is the national liberation movement not therefore implementing essentially the same vision as the non-liberation-movement opposition?

A few pertinent comments can be made from our examination of these diagrams. Firstly, observe that the growth rate of the economy exhibits prolonged underlying cyclical behaviour, which means that the expansion is not permanent. Note that the apartheid state also enjoyed its "longest expansion" and then started collapsing in the throes of its "longest contraction". Contrary to the claims in the document, the turning point in the growth rate occurred before 1994. The inflation rate started to fall in the mid-1980's, yet the document adds this as one of the indicators that "we have achieved a level of macroeconomic stability not seen in four decades" (because of our policies since 1994!). It appears to me that the document is overzealous about what has been achieved by the ANC. It can also be shown that the fall in the interest rate, which soon followed the fall in the inflation rate, also occurred prior to "our policies".

The ANC-led democratic state is now enjoying its "longest expansion"; the question that should be in the minds of social theorists and politicians alike should perhaps be the extent to which the leadership of the ANC will withstand the pressures of the coming contraction. The document should not leave an impression of a permanent state of expansion, because the ANC may later find itself managing the longest contraction recorded in our country's history. Lack of a proper historical analysis of the South African economy therefore robs the document of a critical perspective.

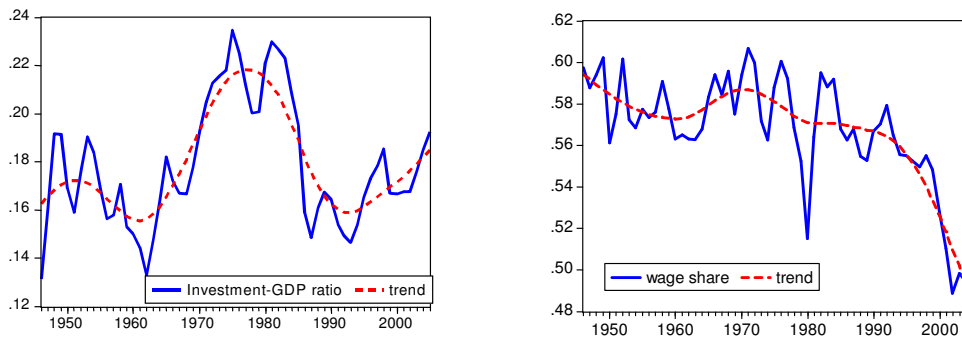
Secondly the document does not account for the fact that, given that apartheid South Africa was part of the global capitalist system, its phases of accumulation were deeply connected with those of large Western economies. For example, growth stagnation was not an apartheid phenomenon, nor were increasing levels of capital intensity (65); apartheid South Africa was thus not as isolated economically as the document suggests. Lack of a global comparative economic analysis therefore robs the document of a critical perspective, which would empower us to understand capitalist dynamics properly and how these connect with our colonial past.

The danger now is that everything that is ugly in our economy would tend to be characterized as an "apartheid legacy", when in fact it may be a result of the dynamics of capitalism. Being conscious of this distinction is very important because the ANC may find itself elevating the positive aspects of capitalism without being conscious of the fact that these may be premised on the reproduction of the ugly aspects which we would erroneously and consistently refer to as the "apartheid legacy".

There is no better example in the document to illustrate the theoretical disconnect of processes that are actually intimately connected, than the one between the rising investment-output ratio, which is a success, and worsening distribution of income, which is a challenge. In (20e) the document mentions that "the rate of investment has climbed from 14% of GDP to 19%" between 1994 and 2006. Then in (21a) we read, "the proportion of our people without jobs is higher than 35%". In (21b) we read, "about a third of our people live in poverty". In (21c) we read, "our economy still generates unacceptable levels of inequality...". The list goes on and on. But what is glaringly missing is the link between this dichotomy of

alleged successes and "challenges". Figure 2 illustrates the invest-output ratio and the share of wages in national output to measure income distribution:

Figure 2: Investment & the wage share



Source: South African Reserve Bank & author's calculations

The diagrams show large cycles in the investment output ratio over time. At the same time the share of wages in national income is relatively stable, but exhibits a mildly downward trend before 1990. After 1990, where the economy starts its expansion as well, there is a steady rise in the investment-output ratio. A fact noted in the document (20e). However, this phase is characterized by a sharp decline in the share of wages in national output, i.e. worsening income distribution. These facts explain why we have a rising investment-GDP ratio that "generates unacceptable levels of inequality".

The growth targets that have been set in (17) are likely not to affect this pattern of income distribution *unless* active steps are taken to address their root causes. We note that the collapse in the wage share invariably leads to a collapse in the propensity to save by the vast majority of our people. Therefore no matter how vigorous savings campaigns can be, as long as income distribution worsens for the majority of people, objective conditions are set that militate against the subjective will to save. A question that needs to be investigated is the extent to which the low savings rate of profit-earners frustrates the investment effort, and the degree to which corporate entities retain and reinvest profits productively in our economy.

The rising investment-GDP ratio has thus been financed mainly by wage-earners. It would also not be surprising to discover that the current budget surplus has been financed from wage-earners' coffers as well. The point here is that because the document has no clear unit of analysis, its economics is so general that it robs the readers of an opportunity to decompose, so to speak, the successes, challenges and the proposals that it brings forward.

In this instance, a class analysis of the successes and challenges at the level of the economy would have been very helpful.

In (65) the document says that the apartheid growth path was "characterized by super-exploitation of black workers". Perhaps the document should substitute the word "super-exploitation" with "brutalization". The reason is that figure 2 shows that current rates of exploitation far exceed those under apartheid. The figure of course includes white workers, those workers who are engaged in "unproductive but socially necessary labour", the so-called middle class, and sections of the capitalist class that also earn salaries. Excluding these would raise current rates of exploitation to even higher levels. Now if the apartheid growth path was characterized by super-exploitation of black workers, how do we characterize the current path with its higher rates of exploitation?

The last comment on this point relates to (5d). The document here reports that as a consequence of ANC's policies, "the unemployment rate has declined from over 30% of work seekers to 25%". The document does not mention the time frame within which this miracle has occurred. The miracle is quite unbelievable for an economy whose inadequate rate of fixed capital accumulation repelled workers from employment for almost 12 years, and only stopped repelling them about 3 years ago. Nevertheless, upon closer reading, I found disappointingly that the document opted for the unemployment rate of "work seekers", those who have been discouraged are excluded - what might be called the hard-core unemployables in the reserve army. In this light, two forces act to produce the downward movement observed in the restricted unemployment rate measure used by the document: discouraged work-seekers grow at a rate that exceed the growth rate of the labour force and the economy absorbs labour faster than the growth rate of the labour force.

Given the still low rate of capital accumulation, I find it hard to believe that the second force dominates. Rather what we may be experiencing is the first force - a falling rate of unemployment - because more people are discouraged relative to those that join the labour force. To resolve these issues, the document would have better used the expanded definition of unemployment so that we can know exactly the degree of unemployed labour in our economy. Lastly, for the document to avoid bogging the motive forces into discussions pertaining to water under the bridge, it would not hurt to delete (7).

7.4. BUILDING A DEVELOPMENTAL STATE

Reporting on some of its challenges to Cosatu in 2001, the ANC drew attention to the fact that "the movement only held elements of state power; and that some of the old counter-revolutionary networks were still intact". It went further to note that one of the principal constraints it faces is that the economy is still dominated by white monopoly capital, a point made in passing in the document (34). This acknowledgement implies that building a democratic state requires political mobilization of the motive forces, which should set an

environment for the institutional "adjustments" and "assessments" that the document talks about. But the document does not raise this question, neither does it provide the state of the balance of forces between the democratic forces and these "old counter-revolutionary networks" in the state apparatus.³³

In (36) and (37) the document attempts to present a theoretically untenable position of a class-neutral state. This it does by performing a two-stage dislocation. Firstly, it dislocates the ANC from class struggles by virtue of the fact that the ANC is a multi-class movement. This is obviously not convincing - the fact that the ANC is multi-class in character does not imply that it is best suited to craft an effective common platform, the official non-liberation-movement opposition is also multi-class in character. Therefore, something more is required for a movement to maintain its leadership over society.

Having uprooted the ANC from the "narrow self interests" of particular classes, the document proceeds to then dislocate the ANC-led state from class struggles. If we accept that the ANC, because of its multi-class character, is capable of rising above class conflict and self interest, we should also agree that it will impart the same character to the state it is seeking to build. This type of reasoning is very dubious, and has in any case been refuted a long time ago by Marx and Engels: "The undeveloped state of class struggle, as well as their own surroundings, causes Socialists of this kind to consider themselves far superior to all class antagonisms. They want to improve the condition of every member of society, even that of the most favoured. Hence, they habitually appeal to society at large, without distinction of class, nay, by preference, to the ruling class. For how can people, when once they understand their system, fail to see in it the best possible plan of the best possible state of society"?"³⁴ In its Bilateral with Cosatu in 2001, the ANC adopted a far more superior perspective, and made a number of important observations regarding the challenges of building a democratic state, based on its 6-year experience. It noted the following:

- the ANC's inadequate capacity to control the state due to inadequate technical expertise among its cadres;
- the existence of "counter-revolutionary networks" in the state apparatus, which serve to distort the democratic character of the state; and
- the need to combine political mobilization with building a technically competent democratic state.

The document spends some time on the first point, but fails to raise the last two points. In (31) the document says that building a truly developmental state "requires hard work and ongoing assessment of the attributes and capabilities that we need, and adjustments to

³³ Cosatu's 2001 Input to the Bilateral gives an interesting perspective on how these distortionary forces operate in the state apparatus. It argues that the movement has increasingly relied on "experts/technocrats outside of or even hostile to the movement", for policy formulation.

³⁴ See The Communist Manifesto.

institutional arrangements that will help build them". This approach to building the state is not bad, but strikes me as quite inadequate. Building a democratic state is not simply "hard work", as in designing a machine, but it involves struggles, of which the ability to effect the required institutional "adjustments" is an outcome. The shape and character of the developmental state is likely not to be a result of some meticulous desk-based or armchair designs, but would result from the balance of forces among the contending classes. The fact that "the economy is still dominated by a developed, but largely white, capitalist class" on the one hand and the fact that "the developmental state must be buttressed and guided by a mass-based democratic liberation movement" (34) on the other, creates a political challenge that fence-sitting under the guise of being a "multi-class" movement cannot resolve.

To put the challenge starkly, the document notes in (35) that "the starting point of the state's strategic capacity is its ability to build on popular legitimacy, deriving from the state's democratic nature" and on the other hand, the economy is still dominated by white capital. But as long as the economy continues to be dominated by white capital, the legitimacy of the state would be gradually eroded, thus eroding the very basis of the state's strategic capacity. However, by not combining the building of the developmental state with political mobilization of the motive forces, not only will the legitimacy of the state be eroded, the longer white domination persists after official liberation, the capacity of the ANC as a primary organizational form of struggle would be eroded as well.

It is for this reason that I regard the ANC Bilateral Input as important. In that Input, the ANC does not collapse itself into the state, nor does it collapse the state into the ANC, as the document does. In the Bilateral Input, the ANC viewed itself as an instrument of change; an instrument that also serves to transform the state. The ANC viewed itself as being engaged in a struggle to route out "old counter-revolutionary networks" that serve to distort the democratic character of the state. Building a democratic state then, from the 2001 perspective, was viewed by the ANC as a struggle whose success depended on the ability of the working class and the popular masses to assert themselves in the broader social terrain.

It was this perspective that led the ANC in 2001 to point out that, "The issue turns on the combination of, on the one hand, the capacity for popular mobilization and on the other of the expertise, professionalism and general institutional capacity concentrated in the democratic state to articulate with, lead and process the consequences of this popular mobilization". This combination was seen as the best antidote in the struggle against "old counter-revolutionary networks". The ANC then proceeded to also point out that: "The democratic state...also has the challenge to build the necessary professionalism and expertise within its own ranks...This cannot be proclaimed but must be built, brick by brick".

The document on the other hand, emphasizes the "brick by brick" part, and overlooks the role of political mobilization as a means to sustain the ANC's legitimacy in the context of persistent white domination of the economy, and to strengthen democratic elements in the state apparatus against "old counter-revolutionary networks". In short, whilst the legitimacy of the developmental state rests on its democratic character, this character itself can

neither be proclaimed nor given, but is shaped by struggles. To suspend these struggles, i.e. political mobilization in the process of building the developmental state, when white domination still characterizes our economy, would be tantamount to gradually pulling the rug beneath the very state we seek to build. This points to an active role for the ANC, which has been sadly absent over the last decade, as a force against distortions in the state apparatus. The ANC itself should mobilize the masses of our people against non-delivery of quality basic social services by the state apparatus, under-spending by government officials, corruption, red-tape and general administrative incompetence. By deploying appropriate forms of struggle, the ANC should itself hammer the state that it leads, from within and outside, into a form suitable to advance the revolution, because the state in the current phase of white domination of the economy, remains a terrain of struggle as well. Building a developmental state as if one is weaving some thread from some abstract scheme of technical assessments and mechanical institutional adjustments, far above concrete struggles, is bound to fail.

7.5. FURTHER ISSUES FOR CONSIDERATION IN THE NEXT DRAFT

The document is a strategic framework for economic transformation. Where there is consensus is at the point that the ownership and control patterns in our economy are still colonial in character. All the motive forces, especially black people, would agree that this is the basis of the multi-class character of the national liberation struggle. In order to build a platform that does not accentuate class antagonisms among black people, in a context where the economy is still in colonial hands, the ANC has to develop concrete plans and targets tied directly to the interests of each class among the motive forces. These targets must span the ownership and function of control of the national productive forces, which should include the skills base of our country. Just as much as in (82)–(103) the document identified critical sectors, which I think mistakenly exclude the financial sector, the document should specify the patterns of ownership and control, and the targeted racial and gender composition of the national skills base of these sectors. Let me deal with each of these aspects briefly:

Ownership. The document should specify the target percentage of production that should be accounted for by each of the forms of ownership and control identified. This should span key sectors of the economy such as manufacturing, mining, construction and agriculture. As an example, in the private capitalist sector the document must specify the percentage that should be owned by black people in general by a particular year. It must use the pattern of exclusion, oppression, and exploitation under apartheid as the point of departure in developing these targets. Therefore, it should further add, among black people that y% should be owned by Africans in particular. The document must specify the percentage that should be owned by women by a particular year. Again, employing the apartheid pattern of exclusion as a point of departure, the document should further specify the percentage of ownership that black women in general must own. Going further still, it should specify the percentage that African women in particular must own.

Skills target. The document must identify key skills, based on the planned industrial structure, that are required to take us to the future. In each of these skills set, it should specify targets, again using the apartheid structure as a point of departure. For example, the document must specify the percentage of engineers who are African women by a particular year. These targets should be built into the national objectives that institutions of higher learning should achieve. In tandem with the skills target, the document can then develop sustainable targets of **control**. This should again be based on the apartheid pattern. In order to do this, the document should identify key sites of control of the economy, such as levels of managerial and supervisory control.

Without going into these details in laying down the goals of economic transformation, the document would remain so elastic that the ANC itself would be incapable of monitoring its own performance in effecting national liberation in the field of the economy. A consensus among the motive forces, especially among black people, is possible around such detailed targets. A document that instead remains at the level of generalities, is likely to build a vague consensus that can be easily broken. If the document were formulated using this framework, it would be easy to link each class and social stratum to the goal. Each social group so identified would identify with the targets, and be persistently interested year-in and year-out, in monitoring the progress of the national liberation of the country. Not only would the document address specific class interests, it would also foster solidarity among the motive forces, in instances where each target lags behind. In this way, the motive forces are cemented concretely around a "clearly defined implementation programme, rather than abstract ideological unity that is, in any case, likely to be elusive" (37).

7.6. SUMMARY CONCLUSION

I have not exhausted all the aspects in the document, for it is very complex and covers more issues. For example, I have not assessed the problematic of delegation in the policy-making process - whether it is indeed helpful to argue that a strategy requires consultation, and tactics are best left to the discretion of those deployed to the state; as if there are no incentives to blur strategies and tactics.

Indeed the document indicates that a conjunctural occurrence in 1996, led state deployees to craft a strategy (Gear), when the very same document says these cadres were supposed to use their discretion in the field of tactics. And then later, the ANC Conference endorsed this encroachment of discretion into strategy. In summary, the arguments I have brought forward, which I hope will be used to strengthen this document, are the following:

- The vision of a national democratic society needs to be concretely outlined by providing the development trajectory of the relations of production towards, and in, such a society;

- A proper historical and global comparative analysis is required to appropriately assess the extent to which the ANC has been successful in re-orienting the patterns of capital accumulation and income distribution in South Africa;
- The document must use a theoretical framework that ties together mainstream categories such as economic growth, inflation rates, and investment-output ratios on the one hand, and heterodox categories that are at the core of the ANC's philosophical outlook, such as income and wealth distribution. On this basis it should then outline the macro-dynamics necessary to take us to a national democratic society;
- It must outline forms of struggle that are necessary to build a developmental democratic state. Rather than argue implicitly that the "multi-class" character of the ANC would translate into a state that is above class struggles, the document should, in the light of the trajectory of forms of property ownership it envisions in the future society, galvanize the motive forces to deal with the political challenges the ANC faces currently. There must be an articulation between political mobilization and building a technically competent state (we can learn a lot from the ANC 2001 Input in the Cosatu Bilateral). By rooting state-formation in these struggles, the document would also root the new state in the forms of property ownership that the document envisions, because these forms of ownership would also be a product of the very same struggles (we can learn a lot from Cosatu's 2001 Input in the Bilateral with the ANC);
- The document must provide some detail on economic transformation. It must outline targets for strategic sectors of the economy with regard to forms of property ownership, racial and gender composition of ownership and control. It should also provide racial and gender-based composition targets in relation to the skills base of our country. These concrete targets are likely to provide more cement and consensus to unite the motive forces, than broad outlines with no tangible goals through which we can monitor the transformation progress of our country.

8.1. INTRODUCTION

The African National Congress (ANC) has tabled its economic policy proposals in the document ‘Economic Transformation for a National Democratic Society’, for debate. The Policy Conference at the end of June will have the first bite and prepare a resolution for adoption at the National Conference at the end of the year. The policy documents are discussed in a context of intense debate about the nature, sustainability and benefits of the current ‘economic boom’. In the backdrop is the acrimonious debate about the Growth Employment and Redistribution Strategy (GEAR) within and outside the tripartite alliance.

GEAR was justified on the grounds that the economy in 1996 required stabilization due to the ‘parlous’ state of public finances and an unstable macro-economic situation. Much water has passed under the proverbial bridge and the question is whether the conditions have changed. ASGISA was also introduced as a pragmatic strategy to confront binding constraints and not as a *Development Strategy*. The central question is whether the policy package represents a shift from the cautious approach of GEAR and ASGISA. In that vein, does it offer a developmental strategy to transform the economy consistent with the objectives of job creation, poverty reduction and an inclusive and equitable growth? Alternatively, can the proposals be interpreted as nuance and emphasis rather than a new thrust in ANC Economic Policy thinking? The aim of this chapter is to grapple with these questions; to gauge whether the document represents sea change or maintains the essence of economic policy over the last 11 years.

8.2. MAKING SENSE OF THE POLICY PROPOSALS - A QUICK OVERVIEW

The discussion document (paragraph 5) sets out a vision for a national democratic society as characterised by, among others, a ‘mixed economy; connected to the global economy; and in which socio-economic rights are progressively realized; and a sustainable economy to ensure current and future generations would continue to benefit. A programme for the second decade of freedom will be predicated on the target set in the 2004 Manifesto to halve poverty and unemployment by 2014. Elements of the economic programme include:

- An *industrial strategy* (paragraphs 74-103) to diversify the industrial base by “building capabilities to export value-added manufactured products and modern services”;

- ***De-racialising the economy*** (paragraphs 104-107) and broadening capital ownership through affirmative action and broad based black economic empowerment;
- ***Spatial development*** (paragraphs 108-111). Changing apartheid geography and settlement patterns would take the form of recasting settlement and economic development opportunities closer to where they are concentrated. In areas of low economic potential (former Bantustans) emphasis will be placed on social transfers, human resource development and labour market intelligence. In other words, encourage migration to areas of economic opportunities;
- ***Macroeconomic Policy*** (paragraphs 112-118). The fundamental task of macroeconomic policy will be to maintain a 'stable macroeconomic environment'. While maintaining the basic architecture of the macro-economic policy, there is room "to debate the appropriate framework for macro-economic policy and how it can support the objectives of halving unemployment and poverty reduction;
- ***A campaign to defeat unemployment and poverty*** (paragraphs 119-141). Key pillars of the programme include improving youth community service programmes and learnerships; ramping up expanded public works programmes, particularly in the social sector; an integrated anti-poverty strategy and a raft of 'second economy' interventions; and skills development;
- ***A developmental state***. The necessary strategic, organizational and technical framework should be built to drive and lead development (paragraphs 26-63).

How does this measure up as a development strategy and in relation to the objective to halve poverty and unemployment? The policy proposals are best described as an unhappy compromise between continuity and change. As such, the document does not propose major shifts consistent with the objective of creating large scale employment, reduction of poverty and inequality. For that reason, where new proposals are mooted, it is more a case of nuance and emphasis. This reflects a complex challenge of communicating policy consistency to the international investment community, acknowledging shortcomings in the current economic trajectory, as well as signalling to the ANC's constituency that something will be done to address their concerns.

What emerges is a policy package that seeks to communicate to all without fully addressing the concerns raised by each constituency. Be that as it may, a set of new shifts, in an evolutionary sense include:

- The important recognition that the state has a pivotal role to play in driving development. This marks a departure from the one-sided focus to slash the size of the state through downsizing, privatization and commercialisation of State Owned Enterprises (SOEs). In this respect, state infrastructure investment is seen as a pivotal step to boost investment levels and implicitly, the public service would have to be increased in critical areas of delivery;

- Industrial Policy - an explicit recognition that industrialization requires a conscious industrial policy. The importance of industrial policy has been brought home by the sharp import surge, which revealed serious shortcomings in South African manufacturing capacity and the challenge of creating job opportunities for the low skilled workers.

These are important developments, which can lay the basis for re-crafting economic policy. An industrialization strategy would require a completely different macro-economic policy, especially fiscal and monetary policy. For instance, if manufacturing exports are to be promoted, something must be done with the exchange rate. Similarly, if this sector is to thrive, the blunt instrument of interest rates would have to be re-thought. If the state is to play a developmental role, this will require injection of resources, including increasing employment in areas such as education, health care and the security cluster, which are chronically under-staffed.

8.3. CHANGING GEAR - CASE FOR A SHIFT IN ECONOMIC POLICY

South Africa's dualistic economic structure, euphemistically referred to as 'first' and 'second' economy, has the hallmarks of an 'enclave development'. Virtually most post-colonial countries have a modern economic sector coexisting with and deriving cheap labour from, the subsistence economy. In South African terms, the mode of development of the capitalist economy was based on the inclusion and exclusion of Africans as a source of cheap labour especially for mining.

Post independence, the economic structure remains virtually unchanged - in most cases heavily biased toward extraction and export of minerals or production and export of agricultural products. Post-colonial states mobilized surplus from the commodity sector to finance their human development programmes. While their human development achievements were laudable, they were based on a shaky foundation. For as long as world prices of commodities were high, the society could afford the investment in human development. When prices dropped, these societies had to either cut back on the social development project, or borrow from international financial institutions and the private sector.

How does this apply to South Africa today? Strictly speaking, South Africa is not an enclave economy *per se* but has features of a dualistic society. The dualism is not based on the modern versus traditional sector divide because African people were driven off the land virtually destroying the peasantry; we have a capitalist economy that was constructed to meet the needs of a minority, and Africans were included as a source of cheap labour. To this extent, we have a formal economy on the one hand, based on the marginalization and exploitation of the majority, and mass unemployment and poverty on the other. The question is what economic policy would overcome the marginalization and exclusion of the majority of South Africans?

Continuing on the current trajectory is not likely to halve unemployment and poverty in 2014; at best, it can stabilize levels of poverty and unemployment. While the society is recording positive economic growth, this coexists with mass unemployment, poverty and rising inequality. Current job creation is far below the level required to make a dent on the unemployment crisis or absorb new entrants into the labour market. While there is a debate whether poverty has declined, at least since 2003, there is no denying that it is still too high. Economic transformation ought to change the structure of production and ownership if our goal is mass empowerment. That requires a shift from mineral dependency to high value added manufacturing and services. This cannot occur automatically but requires conscious and deliberate effort.

The key point to make is that unless we make fundamental structural changes and shift from a narrow focus on competitiveness, the dynamics of inclusion and exclusion will continue, albeit taking on new dimensions. For example, the insider-outsider dynamics in the labour market now takes the form of permanent employment versus casual and sub-contracted labour, in addition to the employment-unemployment nexus. The causes of these problems lie at the core of the structure of the South African economy, exacerbated by economic liberalization. The task is to change both the 'first' and 'second' economy in order to build an inclusive and shared growth.

In this context the call for an industrial strategy arises from the recognition that:

- Colonialism and apartheid shaped the economy to support mineral exports, with very concentrated ownership and control. The result was high levels of un- and underemployment, especially in the former homeland areas;
- The market will not lead to more equitable development or job creation unless the state intervenes to mobilise stakeholders to bring about change. In particular, the state must drive development, disciplining business where necessary;
- The most important interventions must support labour-intensive activities, more equitable ownership (especially collective ownership through the state, worker control and co-ops), and investment in people and communities through education, skills development and social programmes like health, welfare and housing;
- This strategy requires a greater balance between production for export and production to meet the needs of the poor in South Africa and the region.

The implications for the ANC Policy documents are as follows. While the document acknowledges the importance of an industrial strategy, it is weak in respect of prioritising sectors with large-scale employment creation potential. Alternatively, it does not fully appreciate the implications for economic policy if we are to prioritise employment creation and poverty eradication. In addition, it does not mark a rupture with the narrow focus on export and competitiveness. Even within that narrow focus, it does not propose major shifts in macroeconomic policy to support industrialization, for instance interest rates and exchange rate policies. The paper's treatment of black economic empowerment is woefully

weak and this is unfortunate, considering that this is a major intervention on the part of the state, which has serious implications for industrial development. For instance, BEE can support procurement from local companies, thereby supporting both enterprise development and local production.

The document's emphasis on a democratic developmental state is a welcome shift from the dogma of privatisation. Still, it fails to set a developmental vision on how the state should act to change the structure of the economy, mobilise and deploy capital in its control and in the control of the private sector; and mobilize the rest of society. Rather, it focuses narrowly on technical and organizational capacity that the state requires. Important as this is, it is inadequate. The approach to private capital insufficiently focuses on the failure of capital to respond to incentives and government expenditure and to treat capital as if it is homogenous. It is important that the ANC spells out what it wants from private capital and how it will go about achieving such an objective. It is not enough for the ANC to propose a 'people's contract' without stating why it is necessary and what the parties should bring to the table. As such, the Conference will have to go beyond the existing framework to systematically build a case for a peoples' contract and what is expected of labour, capital, and the state and community groups. As it stands, it is vague and seems like the ANC is chasing a mythical goal, as if having the 'social compact' would solve economic challenges.

Lastly, the policy document fails to link social development and poverty eradication to its growth strategy; as a result they are conceived as deductions from growth rather than central features of the growth strategy. Poverty reduction strategies and social development programmes are an important contribution to a virtuous growth strategy, and have far reaching implications for equity. Redistribution of income, assets, and capabilities is important both in the narrow sense of building human capital but also in the broader economic sense by providing skilled labour, new markets and new producers, which ultimately contribute to economic efficiency and equity.

8.4. CONCLUSION

The discussion document under review provides a basis for discussion within society and the alliance. Still, it falls far short of providing a developmental strategy to transform the apartheid-colonial economy. It is still trapped in the mode of managing the economy with the hope that the surplus derived will be the basis upon which the state redistributes to the poor, especially the black community. As such, it fails to acknowledge the systemic features of the economy that produce and reproduce inequality and poverty. Consequently, it is consistent with recent post-Washington consensus concessions, which suggest that more ought to be done to address poverty and unemployment, without altering the basic architecture of the competitiveness strategy pursued in the last 11 years.

It is, therefore, doubtful that the current package will alter the existing accumulation regime and usher in a new inclusive growth path. The key to changing the apartheid growth path lies in formulating a serious industrialisation strategy to support sectors that are most

likely to create employment for the low skilled. In addition, the state must play a more developmental and transformatory role rather than merely creating a climate conducive for private accumulation.

South Africa sorely needs an endogenous growth momentum that taps into the latent human resources that the country possesses and is based on meeting basic needs. This is not a suggestion for 'autarky' but to emphasise that a one-sided focus on promoting exports is not leading to the structural changes necessary to build a diversified economy. We may be lulled into a false sense of security by the recent surge of commodity prices that underpin the current growth spurt. Notwithstanding the complex and difficult task of changing an 'economic structure' we must use this windfall opportunity to drive through a more transformatory programme of economic change.

9

INDUSTRIAL POLICY FOR ECONOMIC DEVELOPMENT PROPOSALS

DR SEERAJ MOHAMED

9.1. INTRODUCTION

The section called “Our approach to industrial policy” in the ANC’s Economic Transformation Policy Discussion Document for its 52nd National Conference states that the “The objective of industrial strategy is to build a diversified and competitive economy that can sustain higher levels of labour absorptions by ensuring sufficient levels of industrial upgrading and moving our manufacturing sectors (as well as primary and service sectors) towards higher value activities (para. 77)”. There is recognition in the document that the economy is dominated by certain economic sectors and that this domination is a problem for the economy. Therefore, the document seems to be of the view that the economic structure of the economy has to be altered. However, there is inadequate discussion of why there is need for a more diversified economy. Except for a comment that the economy was shaped by mining and the production of minerals commodities, the document provides little detail about the structural problems of the economy. The ANC’s policy document provides a solution without adequately stating the problem. As a result the approach to industrial policy is to outline fairly broad and rather obvious objectives that do not seem to offer any specific solutions to South Africa’s industrial development. The major aspects of the ANC’s approach to industrial policy outlined in the document are the need to: develop a diversified and dynamic industrial base (para. 75); build the tradable non-commodity sectors, which include manufactured and services exports, as well as import replacement sectors (para. 76); foster cooperation and agreement by industry, labour and government on sector strategies (para. 79); and recognize the necessity for greater prioritization of sectors (para. 80) and sector specific approaches (para. 81).

9.2. LACK OF A COMPREHENSIVE APPROACH TO INDUSTRIAL POLICY

The beginning of the section called “Our approach to industrial policy” states, “In the longer term, South Africa’s economic prosperity and sustainability must rest upon a diversified and dynamic industrial base (para. 74)”. The document recognizes the important role of mineral commodities in shaping the South African economy, its continuing importance for the country’s current export earnings and its importance for the economy into the future. Within this recognition of the role of the mining and minerals sectors of the economy are unstated references to some long-standing industrial policy perspectives held within the ANC.

One of these unstated references is to the perspective that South Africa's future industrial strategy should include a focus on 'resource based industrialization' (RBI). Proponents of RBI argue that the skills and technological advantages that the country has built up by exploiting its minerals resources should be used to promote further industrialization. Further industrialization would include more domestic beneficiation of South Africa's minerals products and building on the relatively developed technological base of the mining industry. The subsection called "Minerals and Mining" in the section "Critical Economic sectors" does recognize the opportunity to build the capital goods and services sectors providing inputs to the mining industry. The policy document says "... a key element of our industrial strategy should be directed at diversifying on the basis of our strong comparative advantage in the production of commodities" (para. 85). The document also states that there should be strengthening of manufacturing sectors downstream of mining through "...a comprehensive strategy supported by legislation" (para. 87). Unfortunately, the framework for a comprehensive strategy is not discussed in the policy document. Notwithstanding this oversight, it is worth our while to recognize that there seems to be an implicit acceptance of the RBI approach (or certain of its aspects) in the ANC policy document and a willingness to implement legislation to support certain aspects of the policy.

9.3. THE LIMITS TO THE MINERAL ENERGY COMPLEX

Another unstated reference in the policy document is to the view in Fine and Rustomjee (1996)³⁵ that there is a minerals and energy complex (MEC) at the core of the South African economy. The MEC is not only a group of interlinked economic sectors (including, mining, some manufacturing sectors using minerals inputs, the energy sector and the financial sector) but is a structure of accumulation within the South African economy. The MEC has been the centre of gravity for the development of the economy and the main sphere of operation for the large corporations that dominated the economy.³⁶ The sectors with weak linkages to the MEC have not adequately developed. As a result, South Africa's industrial development has not adequately deepened beyond the core MEC sectors. The industrial and economic structure of the economy at the time of the momentous transformation to democracy was one where corporations of the MEC (including mining and financial corporations) dominated the economy. The main structural weakness of the economy was and still remains an inadequately developed industrial base and dominance by the mining and minerals sectors. An important aspect of the dominance of certain economic sectors related to the MEC is that the institutions, skills and infrastructure of the country have evolved to serve these economic sectors and inadequately serve other sectors.

³⁵ Fine, B. and Z. Rustomjee (1996), *The Political Economy of South Africa: From Minerals-Energy Complex to Industrialization*, Boulder, Co: Westview Press.

³⁶ The section "Critical Economic Sectors" deals with "Minerals and Mining". Within this subsection there is another unreferenced reference to the MEC where the document says "Through linkages to other sectors of the economy, including chemicals, energy and manufacturing, the mining sector continues to drive the expansion of the economy as a whole (para. 85)." However, instead of relating this comment to the problem of continued economic structural weaknesses the policy document comments about possible advantages of the geographic location of mines.

Therefore, an important aspect of post-apartheid industrial policy should have been addressing the inherited economic structural problems of the economy. However, the post-apartheid government did not have a directed industrial policy and made little effort to address the structural weaknesses of the economy to ensure realignment of the infrastructure, skills and institutions that serve non-MEC sectors.

9.4. INADEQUATE RESPONSE TO THE EMERGING SERVICE SECTOR

The structure of the South African economy has changed since the end of apartheid. In fact, it would be more accurate to say that certain changes in the economy that had already begun during the apartheid era seem to have accelerated during the post-apartheid era. The services sector has become more important in the economy and its contribution to gross domestic product (GDP) has grown larger than that of the manufacturing sector. The ANC policy document does not address a perspective held by some within the party that the growth of the services sector is a natural and healthy step in the development of the economy. In this perspective, the South African economy, without the intervention of the state and implementation of industrial policy, has progressed from the stages where the manufacturing sector dominates to a more advanced stage where the services sector dominates.³⁷

This perspective draws on the experiences of developed countries where services sectors outgrew manufacturing when these societies became more affluent as a result of achieving a high level of industrialization that caused growth in demand for services.³⁸ However, this perspective fails to adequately examine the type of growth in services experienced in South Africa over the past decade. The largest investment, growth in capital stock and employment in the South African services sector has been in general government services, not in private sector service. The next largest growth in services has occurred in business services. This growth has been dominated by growth in sectors such as the private security industry and labour broking rather than growth in more skilled jobs and high-end business services. The growth in business services employment also seems to be due to increased outsourcing of activities previously done in-house - such as cleaning and transport - by the mining and manufacturing sector. Outsourcing of certain activities has meant that workers that were classified as manufacturing and mining workers are now classified as services sector workers. The outsourcing seems to be accompanied by a growth in the informal sector and greater casualization of jobs. Many of the affected workers may now have lower paying jobs with fewer benefits and less job security. Another area of growth in services is wholesale and retail trade and transport and storage, sectors which are associated with higher levels of

³⁷ The idea is that economies evolve and become more sophisticated over time and move from being dominated by the primary sector to being dominated by the secondary sector (manufacturing) and then the tertiary sector (services).

³⁸ There has also been a development, drawing on experience in advancements and growth in the information technology and communications sector, where firms are attempting to secure longer-term revenues from consumers through marketing their products as services with the manufactured component of their product as hardware.

household consumption and debt over the past few years. There has been growth in communication services, which seems largely related to the emergence of the large cellular phone companies and the huge increase in users of cellular phone services in South Africa. This growth in services has not, in general, followed the growth in services associated with high levels of industrialization and more affluence achieved in developed economies but instead seems to be associated with higher levels of consumption and debt creation. At the same time, the growth in services seems to be related to the decline in mining and manufacturing.

There has been more value added and relatively high levels of investment in the South African finance, insurance and intermediation services sectors; but this growth has not been accompanied by significant increases in employment in those sectors. This large growth in the value-added finance sector has also not been accompanied by large growth in productive investment but instead seems associated with higher levels of household debt, higher consumption and consumption of imports that have led to a large trade deficit. At the same time, the high profits in services at a time when many sectors in mining and manufacturing were in decline, may have influenced the allocation of finance by the financial sector to investment in services, instead of mining and manufacturing.

Since the transition to democracy, the capital stock of manufacturing sectors not closely linked to the mining and minerals sectors has declined (except for the automobile and automotive components sector where government had an industrial policy). The economy seems to have become more reliant on exports of mining and minerals products. This reliance is even more acute given the large increase in the trade deficit over the past few years. Therefore, the economic restructuring over the past few years seems to be a restructuring wherein there has been growth in the services sector in an economy that had large, unresolved structural weakness. It has been a restructuring where mining and minerals corporations and large financial corporations that dominated the economy have been joined by few large services corporations.³⁹

9.5. CONCLUSION: NEED FOR DIVERSIFICATION OF THE INDUSTRIAL BASE

The need to develop and diversify the industrial base of the economy, especially the manufacturing sector, seems more important than ever. Therefore, there is a need to address the skills and institutional problems facing firms without strong linkages to the mining and minerals sector. There is also need for direct state support of firms in these sectors whether they be industries in the resources sector or industries with weak linkages to the minerals sector. Industrial policy options such as infant industry support programmes may be needed for these sectors. Other policy options to consider would be to 'get the prices wrong'; these policies could entail making finance cheaper for targeted sectors and dearer

³⁹ There has been large corporate restructuring in South Africa since the end of apartheid. Some large corporations have listed offshore and restructured themselves into global corporations, e.g., Anglo American and SA Breweries.

for consumption of imported goods. It would also mean making imports of capital equipment and intermediate goods cheaper for targeted sectors, while making the import of certain luxury consumer goods more expensive. Of course, these types of policies would be closely monitored and would have to be based on firms in targeted sectors meeting certain objectives, such as global market penetration, learning and innovation, set out by the industrial policy of the government.

The policy document makes only indirect reference to certain industrial policy perspectives held by some within the ANC instead of exploring whether these perspectives could aid the development of viable industrial policy. The failure to explore these perspectives means that the document does not seem adequately grounded in analysis of the South African economy to justify its approach to industrial policy. At the same time, an important perspective on policy held by some within the ANC is not mentioned in the document. This perspective is one where the economy has had healthy growth without needing industrial policy and government intervention. They place their hopes for future growth and economic development in the services sector and seem to believe that the South African economy can skip the important phase of developing a more diversified manufacturing base. The recent success of the services sector seems to provide support for their perspective. However, the growth of services in South Africa does not seem sustainable because it is based on growth in consumption that is associated with growing debt levels and a high trade deficit. A South African development project aimed at reducing poverty and unemployment and building equitable economic growth requires policies to support both RBI and expand the industrial base beyond the MEC.

10

THE 'SOCIAL PACT': A THIN CONCEPTION OF DEMOCRATIC PARTICIPATION

PROF DEVAN PILLAY

10.1. INTRODUCTION

Free market 'neo-liberalism' has clearly failed to address poverty and growing social inequality throughout the world,⁴⁰ including South Africa.⁴¹ This evidence, as well as pressures from within the country, has seen the ANC increasingly embrace the idea of a 'democratic developmental state' that would play a more active role in promoting economic growth in order to reduce unemployment and poverty. Following the launch of government's Accelerated Shared Growth Initiative for South Africa (ASGI-SA) last year, the ANC's *Economic Transformation* policy discussion document re-affirms this drift towards a more state-centric developmental path. While this drift away from the illusions of free market fundamentalism is to be welcomed, it falls far short of what is required to grasp the nettle of poverty and inequality. The document is, unfortunately, beset by a rather schizophrenic development vision and a thin understanding of democratic participation.

10.2. SKEWED 'FUNDAMENTALS'

Firstly, the proposals remain embedded within a neo-liberal macro-economic framework, what the corporate sector (big capital) and the media laud as sound 'economic fundamentals'. This involves inflation-targeting, high interest rates, low corporate taxes, relaxed capital controls, and liberalised trade through the lowering of tariff protection, amongst other things. The underlying logic here is that, in exchange for allowing big capital to move out of the country, we will attract massive productive foreign investment. To achieve this, we must ensure that we please the ratings agencies that signal to investors and the financial markets which countries have 'sound' fundamentals that will ensure high returns for their investments.

Let us assume that reliance on foreign investment, as opposed to mobilising domestic capital, is a good strategy for development (which international experience shows it is not).

⁴⁰ See Kaplinsky, R (2005) *Globalization, Poverty, and Inequality*. Cambridge: Polity Press and Jomo, K.S. and Baudot, J (eds) (2007) *Flat World, Big Gaps: Economic Liberalization, Globalization, Poverty & Inequality*. Hyderabad: Orient Longman/ United Nations.

⁴¹ See UNDP (2003) *South Africa Human Development Report 2003*. Oxford: Oxford University Press and Borat, H and R. Kanbur (2006) *Poverty and Policy in Post-Apartheid SA*. Cape Town: HSRC Press.

Instead of attracting such investment in exchange for liberalising our economy (and in the process shedding hundreds of thousands of jobs), what we have had, as Seeraj Mohammed in Graph 1⁴² shows, is massive capital flight. The capital that we have attracted is unproductive, short-term speculative capital that can leave the country as fast as it came in. The commodity boom, which will not last, has given government a false sense of euphoria about our economic prospects. There remains a lack of decisiveness regarding moving out of the stranglehold of the minerals-energy complex and the financial markets, and onto a more diversified and sustainable development path.

The attempt to graft a 'developmental state' onto this orthodox trajectory reflects both differences within the state, as well as the dominance of Treasury, whose officials move in the world of high finance and unproductive rentier capitalism. Others, in departments like Trade and Industry, who see the necessity of an industrial policy that actively promotes and protects infant manufacturing industry, have to subordinate their developmental vision to the logic of Treasury and the financial markets. The result is the ANC's schizophrenic economic transformation vision that will fail to address the *real* 'economic fundamentals' - that of persistent poverty and rising inequality. This will only exacerbate tensions within the ANC, the Alliance, and the country as a whole, leading to further social instability - the most recent signs of which were uprisings at municipal level and the massive June public sector strike.

10.3. THIN DEMOCRACY

This brings us to the second weakness in the policy document - a thin "social compact" conception of participation. The document correctly points to the absence of democratic rights in many developmental states, and re-assures us about "our commitment to a democratic approach" as a "necessary condition" for growth. But what does this mean in practice?

Nothing concrete is spelt out in the document, except for rather vague references to a "people's contract" or a "social pact" which demands "compromises on all sides", "united action" and the mobilisation of "resources and energy" around a common programme. The kind of social pact envisaged is hinted at through reference to the "various summits and institutions" and "high level discussion and forums", which have resulted in "strategic agreement". From this, it can be concluded that a very thin conception of participation is envisaged, which involves the top leadership of the union movement and other organisations within civil society. Given the overall thrust of the policy document, this at best seeks to institutionalise the participation of labour, civic and NGO elites, in order to legitimise a developmental path that remains fundamentally in the interests of big capital and the

⁴² Table from presentation of Seeraj Mohamed, 'Financialization and Corporate Governance in Developing Countries' at the African Programme on Rethinking Development Economics (APORDE), Stellenbosch, 23 May 2007. See also Mohamed, S and K Finnof (2005) 'Capital Flight from South Africa: 1080-2000, G. Epstein (Ed.) *Capital Flight and Capital Controls in Developing Countries*, Edward Elgar Press, Northampton, MA.

minerals-energy complex. In other words, the top-down vanguardist approaches of exile, which translated into an elite-driven negotiated settlement and a technocratic-vanguardist style of government, remains intact. A re-commitment to a veneer of elite participation does not alter this. This is far from the substantive democracy embedded in the *Freedom Charter's* slogan 'The People Shall Govern', the mass mobilisations of the 1980s around 'People's Power' and indeed the participatory ethos contained in the *RDP*.

The policy document does not clearly define what it means by a "developmental state". However, it can be inferred that it is referring to the East Asian experience, with a dash of European social democracy. It clearly does not have in mind other development experiences that have demonstrated a faith in the people's ability to actively participate in determining their future.

10.4. EMBEDDED AUTONOMY

A developmental state is by definition interventionist, and goes against the idea of a neo-liberal minimalist state that leaves "development" in the hands of market forces. However, as sociologist Peter Evans argues in his seminal study *Embedded Autonomy: States and Industrial Transformation*, a "developmental state" needs to be both autonomous from society, as well as deeply embedded with key interests in society that have a "developmental agenda". He calls this "embedded autonomy". For Evans, a key feature of a modern developmental state is the existence of an efficient, de-personalised, impartial, and rules-driven bureaucracy that has a high degree of autonomy from competing interests in society. However, such a state is not insulated from society but is embedded with key social classes through dense networks of interaction. The dominant class interest determines the meaning and quality of development.

The popular understanding of the developmental state is that it is embedded with an emerging industrial capitalist class, and is top-down, authoritarian and focussed on a narrow conception of economic growth. An alternative conception of the developmental state, which Evans supports, is a democratic, society-centric one, where a strong state is in creative tension with a strong civil society.

10.5. AUTHORITARIAN DEVELOPMENTAL STATES: NARROW ECONOMIC GROWTH

Much can be learnt about how the East Asian developmental states defied the free market mantra and intervened to promote economic development. This includes an industrial policy that was oriented towards nurturing infant industries, directing investment flows and subsidising labour costs in various ways (including subsidised transport, food and housing). However, many of the East Asian developmental states were extremely authoritarian or at best top-down and patriarchal. In their pursuit of rapid industrialisation, the state was

embedded with a rising industrial capitalist class to the exclusion of other social actors. Development was focussed on economic growth, where physical infrastructure and the accumulation of capital were the primary objectives, and redistribution⁴³ and protection of the natural environment were secondary. Such rapid growth rested on encouraging rampant consumerism, a squeeze on labour and other human rights, and environmental degradation. Democratisation came to countries like South Korea only after massive labour unrest and the growth of democracy movements during the 1980s.

“Development”, according to orthodox economists such as those found in the World Bank and IMF, is measured primarily by GDP per capita. While this is of great interest to investors, who seek to maximise the returns on their investments, it says little about the distribution of wealth and the development of human beings. It also says nothing about the externalised costs of narrow, unplanned growth - such as environmental pollution and the resultant deterioration in the health of especially working class communities that are usually placed close to polluting industries. Increased growth in India and China, for example, obscures the fact that while a small section of society is getting 'filthy rich', the vast majority remain poor, and many are getting poorer in a context of rapidly increasing inequality.⁴⁴ Human rights are easily violated in the stampede for “development”, the most graphic being the violent displacement of millions of people in both countries to build dams to supply water to the urban centres. The air in Beijing is so polluted that the next Olympic games to be held there may be in jeopardy.

10.6. DEMOCRATIC DEVELOPMENTAL STATES: BALANCED, HOLISTIC DEVELOPMENT

The United Nations Development Programme (UNDP) has, for a long time, promoted the Human Development Index as a measure of development. In other words, the physical and emotional well-being of *human beings* in harmony with the natural environment, and not the narrow growth of capital and physical infrastructure, should be the focus of development. However, as Amartya Sen has argued in his widely acclaimed book *Development as Freedom*, this cannot be achieved by a “blind” authoritarian state that often makes bad decisions, but a “seeing” democratic state that makes good decisions based on substantial inputs by the people. This requires free speech and democratic choice, including substantial participation from below in all spheres of social life.

⁴³ Some East Asian states embarked on more welfare redistribution than others did, with Malaysia and Singapore perhaps giving redistribution the same priority as growth.

⁴⁴ See Pal, P and Ghosh, J (2007) 'Inequality in India: A Survey of Recent Trends' and Sengupta, R and Ghosh, J (2007) 'Understanding the Extent and Evolution of Inequalities in China', both in K.S. Jomo and J. Baudot (eds) *Flat World, Big Gaps: Economic Liberalization, Globalization, Poverty & Inequality*. Hyderabad: Orient Longman/ United Nations.

Cuba can be regarded as a developmental state that has intervened decisively on behalf of the subordinate classes to achieve impressive results in terms of human development. However, despite participatory features⁴⁵, the absence of competitive multi-party elections and limits on freedom of speech and movement means that Cuba has features of both the authoritarian and democratic developmental state.

The sub-national state of Kerala, in south-west India, is one of the best examples of a democratic developmental state. There has been widespread distribution of resources within a context of relatively low (but now rapidly rising) economic growth. Like Cuba, Kerala has been widely praised for its high human development indices, particularly in health, education, and nutrition. Indeed, its infant mortality rate resembles that of the USA⁴⁶. However, unlike Cuba, it has achieved this in the context of a vibrant multi-party democracy. Patrick Heller, drawing on the work of Peter Evans, shows in his book *The Labor of Development: Workers and the Transformation of Capitalism in Kerala, India*, how a different form of “embedded autonomy” can be achieved. Here the state develops strong links with *subordinated classes* in society, in particular the working class (broadly defined). This involves a wide range of participatory mechanisms, including women's neighbourhood committees, a people's science movement, cooperatives, and decentralised planning.

The Communist Party of India (Marxist), or CPM, played a critical role in forging a unique synergy between the centralising power of the political leadership and the state, and the decentralising power of a mobilised civil society. The fine balance of power between the CPM and the Congress party allowed for a democratic renewal of the CPM each time it was voted out of office, with a progressive fine-tuning of its participatory practices. A basic substantive-democratic consensus in the state was established, such that redistributive policies continued to be pursued when the Congress party was in power. In the last elections, the CPM-led coalition returned to power with one of its largest majorities.⁴⁷

Another example is the city of Porto Alegre in southern Brazil. While under Workers' Party rule since 1989, it developed an impressive participatory budgeting process, allowing a significant portion of the city's budget to be opened up for public debate. Local communities are encouraged to determine spending priorities for their areas, and this has resulted in major improvements in the quality of life of the city's poor. Although a local government experience, this example speaks volumes about what participation from below, if encouraged from the top, can achieve.⁴⁸

⁴⁵Saney, I (2004) *Cuba: Revolution in Development* London/New York: Zed

⁴⁶ Parayil, G (ed) (2000) *Kerala: The Development Experience*. London: Zed Books.

⁴⁷ See also Williams, M (2002) Building Democratic Socialism in Kerala, India, *African Communist*, First Quarter, and (2006) Generative Politics: Democratic Socialist Projects in South Africa and Kerala (Unpublished manuscript).

⁴⁸ Baiocchi, G (ed) (2003) *Radicals in Power: The Workers' Party (PT) and Experiments in Urban Democracy in Brazil* London/New York: Zed. See also Wainright, H (2003) *Reclaim the State: Experiments in Popular Democracy*. London: Verso.

Venezuela shows what is possible if a state has the self-confidence to stand up to hegemonic global forces. After Hugo Chavez won the presidential election in 1996, the country adopted one of the most democratic constitutions in the world. His government proceeded to redistribute the country's vast nationalised oil wealth to the poor, and earned the wrath of the US-backed elite who ruled the country for centuries.⁴⁹ After an attempted coup in 2002, which saw a mass mobilisation of the people supporting him, Chavez was re-elected president with over 60% of the vote in 2006. From a state ruled by a predominantly ex-colonial oligarchy, it now places emphasis on building links with mobilised working class and indigenous communities. Bolivia and Ecuador have followed, electing indigenous presidents who are poised to upset the ex-colonial oligarchy.⁵⁰

10.7. CONCLUSION

Unlike Kerala and Porto Alegre, the potential for participation from below in South Africa rapidly diminished under the post-apartheid regime. The new government adopted a top-down and essentially neo-liberal developmental path (albeit within the formal wrapping of an impressively democratic Constitution and drizzles of social spending). The excuse is that the ANC had no choice, given the internal and global forces arrayed against them in 1994.

The defiance of global hegemonic forces displayed by Venezuela, followed by Bolivia, Ecuador and, to some extent, Argentina, has shown what a fig leaf this excuse is. It all depends on your class orientation. If you are primarily held hostage by big capital, then the agenda of the minerals-energy complex will be at the forefront. The question is - to what extent have the 'hostages' come to identify with their kidnappers?

Unfortunately, despite the developmental and democratic ideological discourse, the *Economic Transformation* policy document remains embedded within the agenda of Treasury and big capital. Meanwhile, the participatory-democratic impulses of the 1980s that were temporarily sidelined by the demobilisation of most organisations apart from the union movement are being revived. The policy document seeks to demobilise this energy through the co-option of leaders into a "social pact" legitimisation exercise. Given the widening disparities in our society, the most that this will achieve is a temporary reprieve, before more destructive battles between the state and working class society.

The other option is a state that is far-sighted enough to learn from other experiences, and harness the resources and energy from below and into a substantive-democratic, creative force for development. This, however, can only happen through an ideologically-driven political leadership that understands the need to build an effective developmental state apparatus that can decisively intervene in the economy and can, in the words of

⁴⁹ Gott, R (2005) Hugo Chavez: The Bolivarian Revolution in Venezuela. London: Verso.

⁵⁰ Weisbrot, M (2006) Latin America: The End of an Era. *International Journal of Health Services* Vol. 36, No. 4.

Patrick Heller, “effectively institutionalise the interests of the working class”. In this context, the state builds dense links with the vast array of civil society formations at local, provincial, and national level. This can take many forms, including decentralised planning through neighbourhood committees and participatory budgeting; the mobilisation of students and professionals to meet the various needs of deprived communities; and encouraging worker and consumer participation in companies and other forms of economic democracy. These forms of participation will yield many innovative ideas about how to make development work for all the people. It will also make the state more responsive to the needs of the poor and marginalised. This, however, is a class project: whose side is the ANC on?

11

DEVELOPING AN APPROPRIATE MACROECONOMIC POLICY FRAMEWORK FOR SOCIO-ECONOMIC TRANSFORMATION

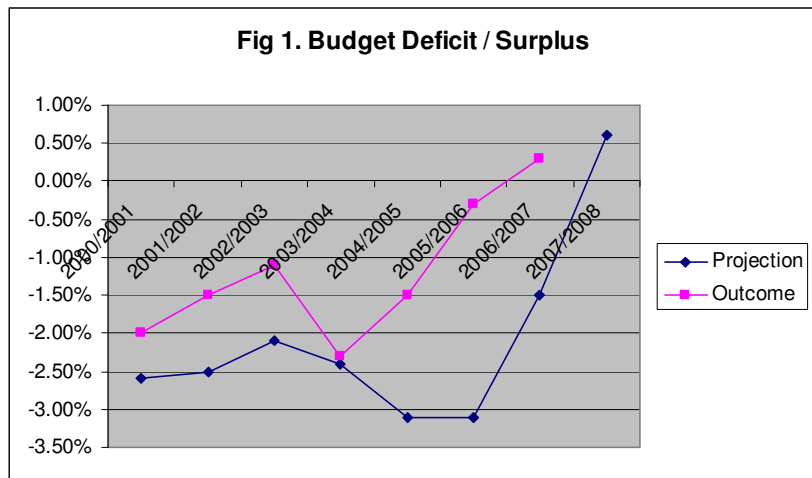
KENNETH CREAMER

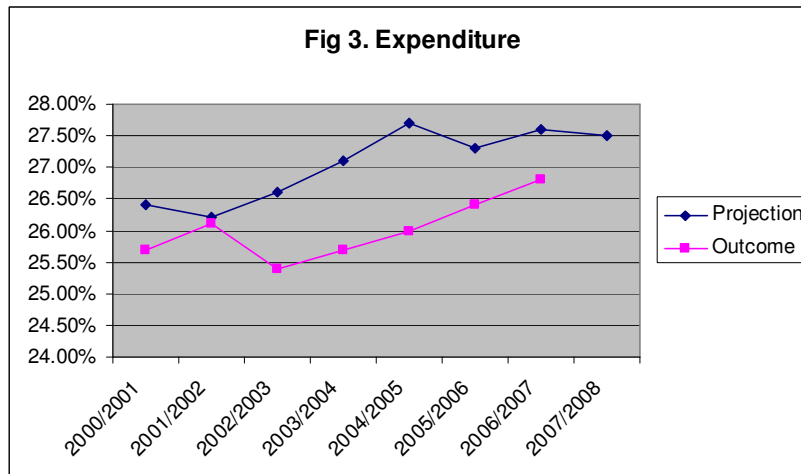
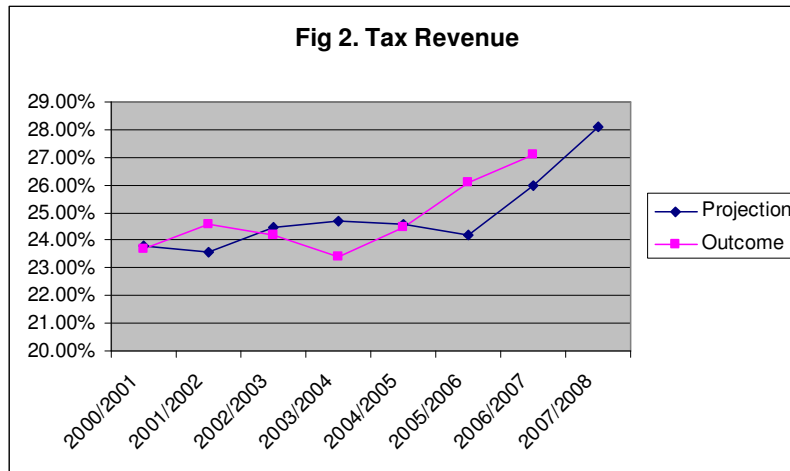
11.1. INTRODUCTION: USING THE FISCAL SPACE

Due mainly to increased levels of economic growth and increased tax revenue receipts, the fiscal space exists for ongoing expansion of service delivery and bringing greater equity and quality to South Africa's key public services. In the build up to ANC Policy Conference, the economic policy documents do not disclose the intention to make use of this fiscal space for social and economic transformation. What is lacking is a clear signal that the fiscal space will be used to put in place programmes to build the capacities of the developmental state. Public services will be improved and will be transformed in such a way as to systematically overcome inherited apartheid patterns of service delivery, which remain deeply rooted in South Africa's education, health, housing, transport, municipal and other services.

11.2. RECENT ERRORS IN FISCAL ESTIMATIONS

An analysis of the recent history of fiscal projections reveals certain interesting tendencies, which are not dealt with in the ANC's economic policy documents. There is a clear tendency to *overestimate the fiscal deficit* (as a percentage of GDP) - where the projected deficit at the time of the annual budget speech is compared to the actual deficit outcome (see Fig 1). There is a tendency to *underestimate tax revenue* - projection is less than outcome, except for period 2002 to 2004 (see Fig 2). There is a tendency to *overestimate expenditure* - projection is greater than outcome (See Fig 3).





The tendency to overestimate the borrowing requirement means that less is borrowed by government than is originally planned, and South Africa is less indebted than planned. This assists in reducing debt repayment costs and in creating fiscal space. The tendency to underestimate tax revenue is mainly as a result of underestimations of economic growth (as there is a strong positive relationship between economic growth and tax revenues), but is also due to tax collection systems operating above expectations. There is an important debate as to whether economic growth and tax revenues are being driven by short-run forces, such as the ongoing commodity boom, or by longer run forces. If current performance is a short-run boom then there may be justification to plan for a short-run budget surplus. If economic growth is expected to be sustained for some time, then budgeting for a surplus in the context of poor, unequal service delivery, amounts to an unnecessary limitation on fiscal policy. There are a number of indicators that higher levels of growth are sustainable in the longer term. Fundamental forces underlying sustainable South African economic growth include increased participation in the economy, improved investor confidence and longer-

term investor planning. There are fundamental reasons to understand the commodity cycle as a secular long run cycle, driven by demand from China and other Asian mineral importers; in fact, South Africa's current emphasis on putting in place minerals export infrastructure is in line with this view, as well as the Accelerated and Shared Growth Initiative for South Africa's (Asgisa) target of 6% growth by 2014.

The tendency to overestimate expenditure as a percentage of GDP is partly due to faster than expected economic growth. It also signals that there has not been sufficient success at developing the capacities, institutions and structures necessary to implement the programmes of a developmental state. Capacities need to be developed, which will ensure efficiency, equity, and excellence in public services.

11.3. THE PROBLEM OF THE FISCAL SURPLUS

Against this background, what should be the ANC's approach to the emerging tendency to run a budget surplus, that is, current government plans to receive more in tax revenues than it plans to spend? For example, in 2006/07 there is a revised estimate of a budget surplus of 0,3% of GDP (R5,2bn) rising to 0,6% of GDP (R10,7bn) in 2007/08. Furthermore, if the recent history of fiscal planning estimation errors continue into the future, it is to be expected that a higher than planned level of budget surplus is likely.

Although the macroeconomic policy section of the document on Economic Transformation coyly states that, "as growth accelerates, government *could* maintain a fiscal surplus" (para 117, own emphasis), it is suggested that the underlying arguments in favour of a budget surplus include the following:

- A surplus during a period of economic growth will assist in avoiding 'overheating' of the economy, which would result in domestic inflation pressures;
- A surplus would assist in reducing external balance of payments pressures, as it would have a counter-cyclical effect on growth and imports;
- A surplus will assist in countering Asgisa-related interest rate pressure and thereby facilitate a low interest rate climate conducive to investment and economic growth.

Despite the surplus, government is planning to increase real expenditure in key social programmes and does not have the capacity to increase such expenditure any further. (Although, recent budget announcements reveal that the average annual growth in real government spending is set to decline from 9,2% for the past three years to 7,7% in the next three years.)

11.4. AGAINST THE SURPLUS

Arguments against the planned budget surplus, which are not properly canvassed in the economic transformation document, include the following:

- The call for a surplus is made on the basis of an assumption that the current increase in economic growth and tax revenues is being driven by short-run forces;
- If high economic growth levels are expected to be sustained for some time, then budgeting for a surplus in the context of poor, unequal service delivery, amounts to an unnecessary limitation on expenditure;
- There is an obligation on government to use its available resources to develop the necessary capacity to deliver public services (in terms of constitutional socio-economic rights entrenchments);
- Should the choice be made to run a budget surplus, government will come under pressure to reduce taxation. Business and other tax payers will argue there is no point in government raising taxes if it does not have the will or the capacity to spend these taxes. If such a line of argument succeeds and taxes are reduced as a percentage of GDP, the state will reduce its developmental capacity;
- The budget surplus may not be an effective instrument for bringing balance to the current account;
- The low interest rate environment associated with the budget surplus would possibly stimulate investment and economic growth, pushing up imports and putting pressure on the balance of payments until a correcting currency depreciation;
- Furthermore, ongoing capital inflows are likely, in the context of highly liquid global capital markets, where a well managed and growing South African economy remains an attractive asset. If these capital flows are significant enough, there may be an appreciation of the Rand, which would serve to boost imports and retard exports, placing further pressure on the current account of the balance of payments.
- Rather than the blunt instrument of a fiscal surplus, specific policy instruments are required to deal with South Africa's current account deficit, including currency interventions to avoid currency appreciation, the building up of foreign Reserves and export promotion strategies.

11.5. TOWARDS A RESOLUTION

As we approach the ANC Policy Conference and Congress, the time is right to discuss the formulation of a macroeconomic framework informed by current circumstances and designed to accelerate the social and economic transformation programmes of the party. It is not a

satisfactory situation that Asgisa is being presented as a series of projects and interventions linked in an ad-hoc manner to growth and employment targets. The preferred approach should be a combination of fiscal expansion together with flexible inflation targeting, as such a mix has the potential to improve the shared nature of growth without risking economic instability. Inflation targeting provides an important role in anchoring inflation expectations, and provides a clear purpose and transparency for the monetary authorities. Inflation targeting only becomes inappropriate if it is allowed to dominate and neutralise fiscal policy or when it is inflexible and pays insufficient heed to output volatility, for example, when it is pro-cyclical in pushing up interest rates in response to supply shocks such as oil price hikes. The budget surplus approach, which amounts to a fiscal contraction, has the potential to weaken the developmental capacity of the state, and will entrench ongoing unacceptable levels of inequality and exclusion as a result of sub-optimal fiscal policy interventions.

It is recommended that the ANC's policy stance on the budget surplus should be developed as follows:

- That the opportunities created by growing tax revenues should be used to accelerate programmes aimed at increasing access to basic services, which will enable wider participation in the economy;
- That it is not the ANC's preferred approach to enter a sustained period of budget surpluses. Instead, programmes of social and economic infrastructure delivery should be expanded to the point where the fiscus returns to the level of a moderate and sustainable budget deficit;
- That government, coordinated through the Presidency, should be mandated to develop bolder expenditure plans, focused particularly in the area of social infrastructure, such as in health care, education and housing. Such plans should be explicitly designed to adhere to the constitutional standard required for the realisation of socio-economic rights; and
- That the ANC will seek to mobilize a wide section of South African society into a programme aimed at expanding service delivery so as to accelerate pro-poor economic growth.

PART FOUR

Social Transformation

12

GETTING BACK TO BASICS: A REVIEW OF THE ANC'S SOCIAL TRANSFORMATION POLICY DISCUSSION DOCUMENT

HEIN MARAIS

Despite some sage proposals, much of the Social Transformation policy discussion document recycles familiar rhetoric and affirms current positions and policies - leaving little for 'discussion'. But, are the big questions really all done and dusted?

12.1. INTRODUCTION

No-one, not even those complicit in generating privation and distress, disputes the need to 'redress poverty and inequality'. Nor do many balk at the suggestion that health and education be placed at the centre of social transformation, or at calls for 'accelerated delivery' and stronger social cohesion. It is when talk turns to how to bring about more inclusive and just social development, how to restructure the social security system, rescue the public health sector, contend with the world's worst AIDS epidemic, or get the better of the housing backlog, that there is much to discuss and dispute.

Yet, this text - ostensibly a 'discussion' document - detours controversy and seems to ration imagination. It conveys little of the rich debates and research that surround the challenges surveyed in its pages. The big questions, it seems to say, are settled; no need to busy ourselves with interrogating the thinking that underpins social development policy, informs public works programmes or shapes social grants provision. Policy and its undercarriage of assumptions are seldom probed. We have here a *policy discussion* document which does not so much discuss policy as affirm it, especially in the three intertwined sections on social development, comprehensive social security, and health, which are the focus of this review.⁵¹

12.2. BALANCING ACTS

As a result, many of the proposals divide between pedestrian encouragement ('strengthen and accelerate the implementation of the national AIDS strategy', 'address all indigence', or 'reduce the duplications that result in inefficiencies') and technical guidance. Mingled in there are useful proposals, such as extending the child support grant to children older than 14 years and removing the means test in the old age pension system. Likewise, the proposal to dismantle and redistribute tax benefits linked to retirement and medical scheme benefits for high-income groups. (Sadly, that's the only mention of possible tax restructuring as a lever for social transformation.)

⁵¹ Which is not surprising when one discovers that sections have been cut-and-pasted from government officials' speeches; compare, for example, the first two pages of this document with the speech made to Parliament by the Minister for Social Development on 11 February 2007 (available at <http://www.welfare.gov.za/media/2007/debate.htm>).

The commitment to start balancing the highly unequal access to quality health insurance is welcome, though it would have been helpful to see evidence for the claim that 'government has made progress in increasing the number of people contributing to medical schemes' (p 4). The proportion of private sector workers belonging to medical schemes has been shrinking since the 1990s, as employers cut their contributions. According to one tally, only a quarter of workers belonged to such schemes at the turn of the century (Torres et al., 2001).⁵² The backdrop to this is a highly unequal and polarized health system, where the private sector, which is accessible to less than one fifth of the population, consumes more than 60% of health-spend and employs more than 70% of healthcare specialists (Yach & Kistnasamy, 2006).⁵³ So it is disappointing that the document does not delve deeper into the possibility of unifying or achieving stronger redistribution in the health system.

It is also refreshing to see the Expanded Public Works Programme couched more realistically as a way of dealing 'with the effects of unemployment', rather than as a remedy for joblessness. Readers might recall the contention of a Cabinet Lekgotla in 2002 that a 'massively expanded' public works programme would form a central element of a comprehensive employment strategy - a fanciful claim if subsequent research is to be trusted. McCord's reviews of the Programme has shown, for example, that labour market participation by erstwhile public works participants has been 'very poor', and that the impact on aggregate unemployment and on the future employment performance of participants is likely to be 'negligible' (McCord, 2004:11,12).⁵⁴ As for dealing with the effects of unemployment, there are grounds for tempering expectations too: programmes were found to have a temporary effect only on the depth of poverty experienced by participants and their households (ibid). The temporary nature of public works jobs, coupled with the fact that their skills-enhancing spin-offs do not necessarily match employment opportunities in a given area, point to a need for several policy improvements. Analysts have noted, for example, the absence of exit or follow-up strategies for participants, and criticized the tendency to measure impact as 'job opportunities created' without referring to the sustainability, earnings and quality of those opportunities (Idasa, 2007).⁵⁵ Unfortunately, the discussion document does not venture there.

12.3. JOIN THE DOTS

Part of the reason is that the text refuses to situate the complex challenge of social transformation within the wider context of economic and development strategy. There is no

⁵² Torres, L, Drury D, Eldring L, Lewis P, Vass J (2001). Mesebetsi Labour Force Survey: Topline Report. Cape Town.

⁵³ Yach D & Kistnasamy B (2006). Health care in a democratic South Africa. Paper presented to the "After Apartheid Conference", August 11-12. University of Cape Town, Cape Town.

⁵⁴ McCord A (2004). Public works and overcoming under-development in South Africa. Paper prepared for the Conference on Overcoming Under-development in South Africa's Second Economy. 29 October. UNDP, HSRC, DBSA. Johannesburg.

⁵⁵ Idasa (2007). Budget 2007: Poverty amidst plenty. Research Report. February. Cape Town. Available at <http://www.idasa.org.za/gbOutputFiles.asp?WriteContent=Y&RID=1784>.

reference, for example, to the overarching fiscal, monetary, trade, and industrial policy choices that establish the boundaries for - and, to a large extent, also shape the character and terms of - social transformation generally, and social protection, specifically. This is no accident. A few paragraphs into the document, readers are advised that poverty and inequality are to be redressed 'on the back of macro-economic stability'. Current economic strategy is off-limits.

Worse, there are hints here of bootstrap development, cloaked in talk of the need to 'empower people to take themselves out of poverty' (p 2) - a reminder of the extent to which reigning developmentalist philosophy has stunted the emergence of a redistributive social welfare policy. Empowerment should be a cornerstone of any social development effort, but here - in a document that airs notions of the 'deserving' poor and that speaks approvingly of workfare-type programmes - the call for 'empowerment' carries an unpleasant whiff. Job creation remains the mainstay of social development, while social grants, food security programmes etc. earn the catch-all descriptions of 'social net' or 'safety net' (with their overtones of charity and dependency). The staged stand-off between 'welfarism' and 'developmentalism' continues, even if reality doesn't really accommodate that sort of dogma.

There is abundant evidence, for example, of the many ways in which social grants are mutualized and transformed into 'empowering' developmental levers. Aguero, Carter and Woolard (2006), for example, have shown long-term effects such as improved child nutrition, including improved physical and mental development, which are likely to affect school performance and, later, labour productivity.⁵⁶ Case, Hosegood and Lund (2004) have found a positive association between receipt of the child support grant and school enrolment of young children.⁵⁷ It is not a matter, therefore, of 'empower[ing] people to take themselves out of poverty' while 'creating adequate social nets' (p 2) for those who are unable to seize the opportunities. In real life, the two elements work in unison. Social Development Minister, Zola Skweyiya, seems to know this. 'Income support is more than a safety net for the poorest and most vulnerable people in our society,' according to him. 'It is also a trampoline that enables many people in these households to jump over the barriers of economic and social exclusion'.⁵⁸

Yet, the sections under review hum with the notion that social protection spending is unproductive and encourages dependency. Hence, the talk of poor households 'graduating out of poverty' (p 2) and the reminder that, 'it is important to link grants to economic activity, to ensure sustainable growth' (p 3). Predictably, we are then asked to consider 'a

⁵⁶ Aguero JM, Carter MR, Woolard I (2006). The impact of unconditional cash transfers on nutrition: The South African Child Support Grant. Paper. July. Available at <http://www.cgdev.org/doc/events/11.07.06/unconditional%20cash%20transfers.pdf>

⁵⁷ Case A, Hosegood V, Lund F (2004). The reach impact Child Support Grants: Evidence from Kwazulu-Natal. Working paper. Centre for Development Studies. Durban

⁵⁸ Ministry of Social Development, 'Opening Remarks by Dr Zola Skweyiya, Minister for Social Development, at the launch of the report on the economic and social impact of social grants, Pretoria, 10 December 2004'; cited in Hassim S (2005). Turning Gender Rights into Entitlements: Women and Welfare Provision in Post-apartheid South Africa. *Social Research*, 72(3): 621-646.

wage subsidy for low-wage employees' - a proposal that would not look out of place in the workfare policies of the centre-right in Europe and North America.

Such ideological kinship aside, the proposal betrays a fundamental misunderstanding of the philosophical heritage of South Africa's social grants system. The main grants were designed to support persons who are not able or who cannot reasonably be expected to earn a wage income (the elderly, the disabled, and children). Most grant beneficiaries are, by definition, not able to work. So 'link[ing] grants to economic activity' implies up-ending the basic logic of the current system. Is the ANC proposing that current forms of support (shared as they tend to be beyond the designated recipient) should be replaced by a new system that centres on the principle of 'reward' - in other words, a thorough-going overhaul of the social grants system? The document does not say.⁵⁹

12.4. THE 'DESERVING' POOR?

Even in such cursory framing, the proposal to link welfare grants to work implies an unsavoury distinction between the 'deserving' and the 'undeserving' poor, between those who are willing to 'earn' support or relief, and those sunk in supposed helpless dependency. One is reminded of Public Service and Administration Minister Geraldine Fraser-Moleketi's remark several years ago, when she reportedly implored communities 'to change the thinking of those who held out their hands for help but kept their sleeves down'.⁶⁰ This document exhibits a similar distrust of rights-based claims on state resources. Such prejudice - and the incantations about 'volunteerism' - involves disregarding or devaluing the vast volumes of unpaid labour performed by the poor, and particularly by women, in households and neighbourhoods, as caregivers, educators, food providers, volunteer workers and much more. Yet, it's obvious that the binary formula of work/dependency has no place in those realities.

Similarly troubling is the underlying thrust of the 'workfare' proposal: that at least some of the assistance to the poor be mediated ('rationalized', if you like), through the workings of the market. This is a far cry from the principles that informed the Freedom Charter and, later, the Reconstruction and Development Programme.

Next, the document moves to foreclose debate on a universal assistance instrument such as a Basic Income Grant. It claims that such an instrument 'would neither have the broad or deep impact on poverty eradication nor the broad mobilization of resources' in the manner of 'retirement benefits, social grants, free education and health care, household support, food security and a range of co-ordinated and focused benefits' (p 3). The grounds for pitting such an instrument against other interventions are poor. Proponents of the Basic Income Grant, for example, do not look to it as a panacea but regard it as a potentially important

⁵⁹ The document also seems to favour a targeting approach for supporting poor households, but makes no mention of the controversies surrounding such models, with respect to both efficacy and costs. See, for example, Mkandawire, T (2002). Targeting and universalism in developing countries. Ecosoc. Available at <http://www.un.org/docs/ecosoc/meetings/2005/docs/Mkandawire.pdf>

⁶⁰ Andre Koopman, 'Poor urged to roll up their sleeves', Cape Times, May 25, 1999; cited in Hassim (2005).

element in a new, redesigned social protection strategy (which would *include* several of the elements mentioned in this discussion document).

There is no denying that government's anti-poverty efforts have been making headway. Whether measured by income or by a more expansive matrix, poverty levels have fallen since 2000-2001.⁶¹ The surprise is that the single-biggest income poverty-reducing instrument currently is the child support grant (Meth, 2007; Everatt et al., 2006)⁶², not job creation. There is deserved praise in the document for social wage provision since the mid-1990s. These are vital achievements, but 'the enormous strides made in the delivery of basic needs' (p 1) are shadowed by concerns about their commodified nature and by uncertainty as to whether they are benefiting the *poorest* South African households. As a recent study of Integrated Sustainable Rural Development Programmes and Urban Renewal Programme nodes for the Department of Social Development (Everatt et al., 2006), concluded,

*it can reasonably be asserted that in a pro-poor state, to find that in the 8 poorest urban nodes, a fifth of urban households have had electricity cut off, a tenth have had water cut off and 1 in 50 evicted for non-payment, does indeed represent a crisis for the poor - and for the state ...*⁶³

12.5. BURDENS OF DISEASE

Oddly, in a document that affirms a 'commitment to redress poverty and inequality' and which asserts the need to build a 'caring society' that preserves and develops human resources, little is said of the extraordinary burdens of disease and care, and their impoverishing and exclusionary impact in our society.

TB infection rates in SA are among the highest in the world, and the country is being battered by the world's worst AIDS epidemic. You wouldn't know that from reading this document. TB is termed 'a growing problem' and HIV, we learn, 'is also a big health problem' - rather like describing a hurricane-battered shore as 'unusually breezy'. Preventing and treating these twin, overlapping scourges (an estimated 60-70% of persons with TB are also HIV-infected) should rank among the top priorities in any attempt to combat poverty. There are practical steps for tackling AIDS and TB in tandem, including the

⁶¹ Everatt et al. (2006) used Statistics South Africa's 10-element matrix in assessing poverty in the 13 Integrated Sustainable Rural Development Programme (ISRDP) and the 8 Urban Renewal Programme (URP) nodes they surveyed. It includes households income, employment, basic service access, literacy, incidence of female-headed households, over-crowding, dwelling type and refuse removal.

⁶² According to Van der Berg et al. (2004), the poverty headcount fell by 3 million in 2001-2004. In his detailed examination of those findings, Meth (2006) questions van der Berg's suggestion that "improved job creation in recent years" possibly also lowered the poverty head count, and shifts the head count decrease closer to 1.5 million. See van der Berg S, Burger R, Burger R, Louw M and Yu D (2005) Trends in poverty and inequality since the political transition, Stellenbosch Economic Working Papers No: 1 / 2005, and Meth C (2006). *Income poverty in 2004: A second engagement with the recent van der Berg et al figures*. Working Paper 47. September. School of Development Studies. University of KwaZulu-Natal.

⁶³ Everatt D, Smith MJ, Solanki G (2006). Baseline survey of the 21 ISRDP and URP nodes. Research study for the Department of Social Development. November. Johannesburg. Department of Social Development.

establishment of better referral systems, expanding access to rapid diagnostic tests in order to achieve quicker diagnosis, and administering treatment, providing preventive therapy for HIV-positive persons who are diagnosed with latent TB infection (to prevent them from developing potentially lethal active TB), and delivering simpler, shorter and more effective treatment regimens (which can help improve treatment completion rates). The policy proposals on TB do not busy themselves with such detail.

Inexcusably, the section on AIDS seems distant from the realities of the epidemic. There is no mention of epidemiological trends, the uninspiring record of prevention efforts to date, the modest but important successes of existing programmes for preventing mother-to-child transmission and of antiretroviral treatment provision, or the need to integrate HIV and TB diagnosis, treatment, and care. The section hides from readers the fact that that one in five (19%) of adults in SA is HIV-infected (UNAIDS, 2006)⁶⁴, that over 40% of the 567 488 deaths in 2004 were AIDS-related (Anderson and Phillips, 2006; Statistics SA, 2005 & 2006; Medical Research Council, 2005)⁶⁵, that average life expectancy has fallen below 50 years in four provinces (Eastern Cape, Free State, KwaZulu-Natal, Mpumalanga), and that without further expansion of antiretroviral treatment, some 390,000 people in South Africa are likely to die of AIDS in the year we stage the Fifa World Cup (ASSA, 2005).⁶⁶

The proposals are either humdrum and out-of-date (no mention, for example, of the new, widely-hailed National Strategic Plan) or plainly off-target. A call to 'investigate making HIV and AIDS a notifiable disease', for example, betrays ignorance of contemporary debates: the issue is not notifiability but whether a more interventionist HIV testing regime should be introduced (such as offering all persons seeking health care services an HIV test, as recommended by the WHO and UNAIDS, or even mandatory testing). There is no mention either of the impoverishing effects of AIDS illness and death, and the strong probability that the epidemic could reverse efforts to reduce poverty. The document's steps for mitigating AIDS impact are pertinent, but none address the overarching, long-term impact of the epidemic. By Aliber's (2005) reckoning, by 2010 AIDS will have pushed between one quarter and one third *more* households into chronic impoverishment than would have been the case in the absence of the epidemic. This would mean that 24-30% of households would be chronically poor. My review (Marais, 2006) of the research evidence finds that the epidemic is also widening inequalities and deepening polarization.⁶⁷

⁶⁴ UNAIDS (2006). *Report on the global AIDS epidemic*. UNAIDS, Geneva. Current HIV prevalence estimates of WHO, UNAIDS, ASSA and HSRC are in broad agreement on the numbers and percentage of persons living with HIV in SA. Thus ASSA (2005) estimated that 5.2m people were HIV-positive in 2005

⁶⁵ Anderson BA & Phillips HE (2006). *Adult mortality (age 15-64) based on death notification data in South Africa: 1997-2004*. Report No. 03-09-05. Pretoria, Statistics South Africa; Medical Research Council (2005). *South African national burden of disease study 2000*. Medical Research Council. Cape Town. Available at: <http://www.mrc.ac.za/bod/reports.htm>; Statistics South Africa (2005). *Mortality and causes of death in South Africa, 1997-2003: Findings from death notification*. Pretoria. Available at: <http://www.statssa.gov.za/publications/P03093/P03093.pdf>; Statistics South Africa (2006). *Mortality and causes of death in South Africa, 2003 and 2004: Findings from death notification*. Statistics South Africa. Pretoria.

⁶⁶ Actuarial Society of South Africa (2005). *ASSA 2003 AIDS and demographic model*. Cape Town, ASSA

⁶⁷ See Marais H (2006). *Buckling: The impact of AIDS in SA*. Centre for the Study of AIDS. Pretoria University. Available at <http://www.csa.za.org/filemanager/list/3/>

12.6. TAKEN FOR GRANTED?

The hardships of care-giving for the sick are glossed over with fanciful claims that 'most communities have some access to home and community-based services, many of which are supported by government'. The claim is baseless. Study after study points to the inadequacy and inconsistency of institutional support and services, and highlights the unconscionable burden that women, particularly poor women, bear in tending the ill (e.g. Hunter, 2006; Campbell et al., 2005; Akintola, 2004; Mills, 2004; Giese, 2003).⁶⁸ South Africa's home- and community-based system requires a major revamp. Incredibly, the ANC document is content to call for more volunteerism to 'reduce the load on our public health services' (p 6).

What's in short supply is not a spirit of volunteerism but the systemic support that can do justice to caregivers' fortitude. Needed is stronger financial and institutional support, user-friendly administrative procedures (for accessing such support), and a much sharper focus on using and developing existing skills in communities. Such steps are becoming visible in the attempts to expand the cadres of social workers and improve early child development support services as part of the Expanded Public Works Programme. Similar experiments in the realm of caregivers' (and especially mental health) support are feasible. There are imaginative ways for boosting health care human resources; we can do worse than consider the example of Uganda, which trains nurses to perform some of the functions of doctors and trains lay community workers to perform some of the functions of nurses (WHO, 2006).⁶⁹

12.7. BLANKET PROTECTION

A disease burden as large and intense as South Africa's demands a comprehensive social protection package that matches unfolding needs and reaches the poorest and most vulnerable sections of society. Dogma has no place in such a quest. The research evidence shows up the stand-off between 'developmentalism' and 'welfarism' as a flippant abstraction. Ostensibly, 'welfarist' tools often end up levering 'developmental' responses, as well as alleviating poverty. In reality, the schism dissolves. Such a social protection package therefore rightfully belongs in our social transformation strategy - not merely as 'a social net' (p 2) but as an integral part of transformation.

⁶⁸ Hunter N (2006). *Crises in social reproduction in a developmental state: Home-based care in KwaZulu-Natal*. Working paper. School of Development Studies. Durban; Akintola O (2004). *The gendered burden of home-based care-giving*. Policy Brief. August. Health Economics and HIV/AIDS Research Division, University of KwaZulu-Natal; Campbell C, Nair Y, Maimane S & HIVAN (2005). Home-based carers: A vital resource for effective ARV roll-out in rural communities? *AIDS Bulletin*, 14(1). March. Medical Research Council. Cape Town. Available at: <http://www.mrc.ac.za/aids/march2005/homebased.htm>; Giese S, Meintjies J, Croke R & Chamberlain R (2003). *Health and social services to address the needs of orphans and other vulnerable children in the context of HIV/AIDS*. Report submitted to the National HIV/AIDS Directorate, Department of Health. January. Cape Town; Mills EA (2004). HIV/AIDS and the 'continuum of care': An ethnographic study of home-based care in KTC, Cape Town. Honours thesis. Department of Social Anthropology, University of Cape Town.

⁶⁹ WHO, "Uganda leads way in innovative HIV/AIDS treatment" (1 April 2005) see <http://www.who.int/bulletin/volumes/83/4/infocus0405/en/index.html> (accessed 17/8/2006).

A society in which up to 45% of the population does daily battle with penury, where 10% or more of households go hungry regularly⁷⁰, where having a regular wage income is a luxury for black South Africans⁷¹, where being a woman carries inordinate risk of violence, abuse and harassment (shamefully, gender violence is not mentioned in this document) - demands transformation that is more thoroughgoing than the pedestrian notions in this document.

12.8. CONCLUSION

The overall tone of the discussion document on social transformation is conservative and self-aggrandizing. It speaks of a 'positive mood and confidence' in the economy, of 'enormous strides made in the delivery of basic needs', of continuing 'unabated with our social transformation programme'. There is a sprinkling of critical reflection, but none touches core issues. Poverty and inequality will continue to be tackled - but within an economic policy framework which, first and foremost, services the prerogatives of a slowly-deracializing capitalist class.

'Stay the course' are the watchwords. In these pages, no basic policy position earns doubt, let alone criticism. What's left, it seems, is a technical job: tighten screws, oil hinges, replace a few tired joists and stanchions. No doubt, if achieved, those repairs can make a difference. Yet, so much more is needed - and possible. Instead, we have a document that is premised on a development path, which, for all its South African inflections, belongs in the wilted tradition of a Third Way, where, in Perry Anderson's (2000) phrasing, the winning formula to seal the victory of the market is not to attack, but to preserve the placebo of a compassionate public authority, extolling the compatibility of competition with solidarity.⁷²

⁷⁰ Afrobarometer (2005). Lived Poverty in South Africa. Afrobarometer Briefing. Cape Town. <http://www.afrobarometer.org/SA%20Briefing-Poverty.pdf>. In a survey of 21 ISRDP and URP nodes, *half* the respondents in the ISRDP nodes and *four in ten* of those in the URP nodes said that their households had lacked the money to feed their children at some stages in the previous year (Everatt et al., 2006).

⁷¹ In the ISRDP and URP areas, unemployment in 2006 stood at 79% and 63%, respectively. Three quarters of the urban residents and 61% of their rural counterparts had been jobless for at least four years (Everatt et al., 2006).

⁷² Anderson P (2000). Renewals (editorial). *New Left Review*, 1. January-February. London.

13

SOCIAL TRANSFORMATION: WHAT HAPPENED TO THE PEOPLE?

GRAEME BLOCH

13.1. INTRODUCTION: A RICH PICTURE

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 learnt 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 organizes 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 organizations, 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 African National Congress?

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 the 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 marginalization, exclusion, and power in South Africa.

13.2. 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 a brief set of documents intended for a policy conference. Indeed, these documents are also part of a series, to be read with other documents such as those on Strategies and Tactics, the Macroeconomic Framework, workers and unions, morality, and so on. But, within the Social Sector documents, we would expect to find powerful resonance 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 charge, impact on the approaches to policy in a 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.

13.3. THE ABSENCE OF A COORDINATING TRUST AND VISION

The opportunities of the policy conference and the 52nd National Conference in 2007 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 such a document should not be.

To be honest: 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 to understand why this or that might be the important interventions, or what has been left out and why. Moreover, the actual base problems and social issues to which these programs are addressed have been left unexplored. We are not told what the basis or need for change is, and how it is expected that particular

interventions would make a difference. Nor what the actual and honest experience in terms of real dynamics on the ground has been.

All of the drafters (probably being medium-level departmental officials) approached matters cautiously. As a result, their pieces are actually less challenging 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. Of course, the cumulative effect of this is a bland, uncritical document.

How did the centre/compiler decide the key issues, 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, there is no approach, no analysis, no vision, no drive. No central coordinated thrust. Possibly, no one who cares!

13.4. 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 characterize communities left to their own devices without strategies and with slipping 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 does not 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; healthcare; 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 at 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 that jobs have been created, new social

groupings have advanced and gathered momentum, and social grants have worked to stabilize and protect rural families.

All this in a rapidly changing, complex world; a world and country of new discourses, instant communications, new threats such as terror, race, religious and cultural polarizations, industrial destruction and dynamic expansion, deep and systematic diversity. All these would make for a challenging analysis 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 mobilization, globalization 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 re-distribution; 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 the key drivers are. 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 coordination? What could government do better? What can be said about the role of civil society and communities of interest?

13.5. 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 impacts of two divided school systems, barely feature. The same approach is taken across the various sectors. 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 Basic Income Grant 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 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. Whoever edited the document at the centre, perhaps thought that given all the sectors (housing, land, social security, education, youth) there was too much for any one person to really take it all seriously or have the expertise. And so, why bother?

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. Is it that the world changed too fast and got too complex for party's analysis to keep up? Or is it that there is not much coherence or much of a centralized anti-poverty program, 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 does the document 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 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 and developing practical cross-stakeholder solutions, it is quite clear that the third scenario is possible. On the youth, on the poor, on socially marginalized 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. The People's Contract of the ANC seems to have disappeared in the discussion of social transformation. This points to a lack of consistency and vision. Any ANC supporter or patriotic analyst of the liberation movements would be horrified at the implications of this last scenario. Surely, in reality and in practice, the ANC is better than this? Surely its documents are actually betraying its own rich history and current concerns and do not really reflect where the movement is at or its current practice?

13.6. 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 (WSSD) in Copenhagen and the range of development processes led by the UN in the 1990s and early millennium. These culminated in the WSSD in Johannesburg and the

international consensus around the MDGs. 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 and 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: the world consensus that was built around 'Make Poverty History' or the agreement around the RDP in South Africa. 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 document on social transformation fails 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 mobilization and to putting the people centrally in the life and decisions of the nation, the Social Transformation document needs a lot more work and rethinking if the ANC is to meet the challenges of the new era and the contemporary terrain.

The role of the youth movement at the forefront of the liberation struggle against the apartheid system placed it in direct confrontation with the apartheid government...throughout their lives young people continued to pay the highest sacrifices as they continued to be targeted by the Apartheid Security Forces for imprisonment, torture, maiming and brutal murder for their stance against the unjust apartheid regime. (ANC Policy Discussion Document, March 2007)

14.1. INTRODUCTION

There can be no question about the African National Congress's (ANC's) commitment to meeting the needs of all South Africans, regardless of age, gender, race, or class. Nor can there be much debate on the status of youth policy and youth development as important aspects of social transformation in South Africa. It comes as no surprise, therefore, that the ANC Policy Conference Discussion Documents should include, *inter alia*, the establishment of a Policy Framework for Integrated Youth Development. While the Social Transformation policy document (hereafter referred to as the document) tackles a range of issues, the focus of this paper will be on youth development, since it represents one of the areas in the post-apartheid era which has proved elusive to define and advance effectively.

Of particular concern in this regard is precisely this failure to define youth development and to specify the mechanisms through which an integrated youth development framework can be constructed. Most notably, however, how the youth are, or can become, drivers of and participants in post-apartheid South Africa's social transformation process is not addressed in the document. This paper seeks to interrogate some of the underlying presumptions embedded in the discussion document currently under review regarding the constitution of 'the youth', since it is these that inform youth development initiatives in South Africa today. A central presumption that is immediately discernable from the quotation highlighted above is that 'youth' in South Africa is constituted, in the main, of those who "were in direct confrontation with the apartheid government"; those who "continued to be targeted by the Apartheid Security Forces". It is against this conceptual background that this review will be undertaken, with the view of highlighting how this underlying conceptual tendency has informed, and is therefore largely responsible for, the relatively vexed nature of current youth development discourses within the ANC and in South Africa more broadly.

14.2. WHO CONSTITUTES 'THE YOUTH'?

According to Statistics South Africa (Stats SA), the youth in South Africa is constituted of all persons aged between 14 and 35 years.⁷³ It further distinguishes the youth in terms of two generational classifications, namely: early youth (14-24 years) and early adulthood (25-34 years). Other than these two broad categorisations, and the racial and gender classifications, the youth in South Africa are generally treated as a single, homogenous entity, whose challenges can be effectively addressed using a relatively undifferentiated policy instrument. This is so, despite cursory references to the “*various* development challenges faced by the youth of our country” (own emphasis). What various challenges these are specifically (other than youth unemployment), and to which section of the youth population they pertain, are not elaborated on in any detail in the document. In addition, there is also a tendency of speaking about and treating a particular section of the youth - that is, black youth, specifically African youth - as the only reference point in addressing youth underdevelopment. This has the effect of enforcing an inadvertent form of exclusion, and some would argue, discrimination by omission.

14.3. BEYOND YOUTH AS OBJECTS OF THE MARKET

David Bell stresses that, “high unemployment increases youth's sense of alienation, hopelessness, and frustration”.⁷⁴ Embedded in Bell's approach to youth development, therefore, is the notion that the creation of job opportunities and the development of the necessary skills that enable young people to enter the job market and secure decent livelihoods, are central components for the development of young people. A key aspect of youth development is youth employment. Similarly, the ANC policy discussion document argues that a primary determinant of youth underdevelopment in South Africa stems from youth unemployment, which stands at more than two-thirds of the total 30% unemployment level. Thus, the discussion suggests that to understand and effectively address the challenges faced by young people in South Africa, employment opportunities directed specifically at the youth need to be created.

To this end, the government has invested in establishing Sector Education and Training Authorities (SETAs), which are aimed at developing the necessary skills for youth entry into specific sectors (like the telecommunications and information technologies sectors). At the level of educational training in schools, the Department of Education has organised various initiatives to encourage learners to take on those subjects that will enable them to acquire scarce skills and qualifications necessary in the South African labour market. I would like to propose, however, that preceding and complementary to these interventions should be the creation of countrywide

⁷³ Statistics South Africa (2005) 'Census 2001: Stages in the Life Cycle of South Africans' (Statistics South Africa: Pretoria)

⁷⁴ Chairman of the Financial Times Group and former chairman of the International Youth Foundation. Article posted June 2003. Accessed 08/05/2007 from <http://www.iadb.org/idbamerica/index.cfm?thisid=2213>

vocational training programmes. These should be organised in such a manner that allows learners at high school level to undertake periodic volunteer work in both the private and the public sectors, so that they can familiarise themselves with the job market and the skills required for South Africa's growth and development agenda from early on. Furthermore, such programmes will assist in creating a link between subjects taken and concepts learnt with their practical implementation.

Nevertheless, this is a very narrow view of what youth development should entail. A much more holistic approach is therefore necessary. The National Collaborative on Workforce and Disability for Youth, an American organisation aimed at assisting states and local workforce systems to better serve youth (mainly those with disabilities), thus aptly defines youth development as "a process that prepares young people to meet the challenges of adolescence and adulthood through a coordinated, progressive series of activities and experiences which help them to become socially, morally, emotionally, physically, and cognitively competent".⁷⁵ While investing in young people and equipping them with the skills necessary for their full entry into the labour market is important, integrated youth development interventions should also assist young people to enhance other skills that are necessary for their effective socialisation and proper transition into adulthood.

Given the crude focus on young people as objects of the market, however, it is unlikely that other capabilities that need to be harnessed in the youth so that they are well-rounded individuals with a fine sense of citizenship, will receive adequate attention. Encouraging the youth to partake in the political, social, moral and civic development of South Africa, and Africa at large, is just as paramount as ensuring that young people have the opportunity of getting and creating employment. Moreover, helping them to acquire the kinds of skills and social capital necessary to aid them in dealing with a fast globalising world and the cultural implications thereof, is vital, especially if we are to achieve the objectives of the African Renaissance. These objectives, which include the creation of stable democracies premised on a fundamental respect for human rights and human dignity, peace, security, and social and economic justice, have to form the basis of any development initiative including initiatives aimed at youth development. In addition to this, the vision of an African Renaissance is, principally, about preserving the rich cultural heritage in the continent. To this end, the rapid Americanisation of youth culture in South Africa (and many other parts of the world) represents a serious threat to reaching these objectives. How the media, both local and international, facilitates this process of Americanisation, thereby encouraging an ethos of mimicry and, to an extent, self-debasement, is not addressed in the policy document. If an African development agenda, which can enable Africa's equal and unfettered participation in the global economy is to be realised, some attention needs to be devoted to ensuring that the youth of today understand the value of their cultural heritage and identity, and how the attainment of Africa's development goals also hinges, to some extent, on a reclamation of cultural autonomy and cultural pride. It is therefore critical that South African youth becomes agents of social transformation.

⁷⁵ http://www.ncwd-youth.info/resources_&_Publications/hot_Topics/youth_Development/index.html

That the ANC policy discussion document does not address these issues, however, merely confirms the pervasive, yet underlying, view of youth as no more than objects of the market, where youth development is synonymous with youth employment, and issues around identity and culture are seen as unimportant, and, inimical to the global citizenship. Such an approach, however, cannot account for how South African youth can influence and shape social transformation - locally and regionally - as opposed to just being the objects of such transformation. This is an unfortunate oversight in the policy document precisely because it affirms the role of young people as agents not capable of influencing and moulding the policy agenda, its design and its implementation, as well as its outcomes. It is also unfortunate because it reduces the significance of youth to their economic value, without sufficient regard to the other qualities that make them human and citizens. After all, the value for young people of a democratic and developmentalist South Africa, lies herein: where their capabilities are harnessed not only to the extent of their potential as economic actors, but fundamentally, to the extent of their participation in the country's transformation process - politically, morally, economically, culturally, and socially.

14.4. CONTEXTUALISING YOUTH DEVELOPMENT

One main problem with the discussion document's conceptualisation of youth development is that it focuses largely on young people who were and continue to be most manifestly disadvantaged by the legacy of apartheid, specifically those who initiated and lived through the 1976 uprisings. This has the effect of categorising 'the youth' as the 1976-generation, that is, a generation of young people who are currently in their early adulthood years. A second effect of such categorisation is that it pivots youth development around black youth, specifically, African youth, an approach that is likely to lead to the exclusion of white youth from the post-apartheid reconstruction and nation-building process. Indeed, many African youth have not reaped the democracy dividends because of the legacy of structural inequalities engendered by apartheid; as such, remedying this situation is an urgent and unquestionable imperative of the reconstruction agenda in South Africa. However, this has to be approached in a manner that explicitly and programmatically recognises minority youth and attempts to integrate their concerns into the youth development programme.

Furthermore, due to the various sources of youth segmentation and differentiation, different policy instruments, which correspond to particular intra-generational needs, along with other sources of segmentation (such as race and gender) need to be formulated. This is currently missing in the Social Transformation document under review. Ironically, the National Youth Policy recognises the need to "segment the age category of "youth" so as to more accurately address the issues of particular groups" (National Youth Policy: 7),⁷⁶ yet this is not addressed in the discussion document. Any attempt at youth development, however, needs to specify which category of youth is being targeted, using what policy interventions, towards which

⁷⁶ Government of the Republic of South Africa: National Youth Policy, 1997

developmental ends. The failure to expound a clear and comprehensive definition of youth development that traces particular youth interests; that is, an approach that disaggregates the youth into the different categories that they occupy, will achieve little in addressing their needs and in the democratic era. It should be noted, however, that while the National Youth Policy takes full cognisance of the segmented nature of 'the youth', its main weakness is that it conceptualises of and addresses youth issues in racial and gendered terms, without further interrogation of other pertinent sources of difference that lead to marginality.

An interesting example that illustrates part of the problem with the broad referral to 'black youth' is that it fails to account for intra-racial (or intra-black) differences vis-à-vis the extent of marginality and how some youth development and other policy interventions have generated a variance in outcomes. In the 2005 Stats SA publication based on findings derived from the 2001 national census, there is a clear indication that Coloured youth, across all the different age categories were the least likely to attend an educational institution.⁷⁷ By contrast, there has been a steady increase in the proportion of African learners, across all age groups, and less than a tenth of Indian/Asian youths were recorded as *not* being in an educational institution at age 16 (Stats SA, 2005: 84). While educational attainment among African youth is slowly improving and Asian/Indian youth continue to have the highest proportion of learners who remain in school, Coloured youth evidence a contrary pattern.

So, what does this allude to? One can take a number of guesses. What is clear, however, is that in post-apartheid South Africa, the eradication of youth underdevelopment requires a more nuanced and difference-sensitive approach. From the example given above, it is clear that South Africa's education policy might be failing to draw and retain Coloured youth in the education system, despite it having a relatively positive impact on the lives of African and Indian/Asian youth, albeit at a slow pace. In the realm of education policy, therefore, when speaking about youth development, it is important to critically analyse how the interests of designated disadvantaged groupings are prioritised, in order to balance out the development of each of the categories collectively designated as 'black'.

Furthermore, the construal of 'the youth' in South Africa as 'black youth' (in the generic sense) is problematic to the extent that it might limit the scope for the articulation of concerns that white youth have, and for such concerns to be treated as equally legitimate and compelling. The reality is that within the context of the consolidation of South Africa's nation-building programme, white youth concerns and interests need to be integrated into the broader youth and national development agenda. A failure to do this is likely to lead to a situation where statements like, "[Afrikaner] youth experience a feeling of animosity in the country" (Mail and Guardian, February 2007),⁷⁸ and the capture of pop-songs to express underlying sentiments of marginalisation and exclusion, fester. This is likely to compromise the gains realised towards the consolidation of one national identity. Moreover, a lack of adequate and effective treatment of minority youth concerns is likely to lead to the politicisation of youth issues in general, thus

⁷⁷ For instance, at age 16, 21.8% of coloured youth were not in school, as compared with 12.2% African, 9.3% Indian/Asian and 6.4% White youths.

⁷⁸ Groenewald Y. 'The De La Rey Uprising', Mail and Guardian, February 12, 2007

framing youth issues solely as a set of racial and politico-economic concerns. In the main, however, it is important to understand and address minority youth interests as part of a set of identity politics within the context of far-reaching political, social, and economic changes. In this regard, the seemingly widespread deployment of personnel comprising mainly of ANC Youth League (ANCYL) members and activists as opposed to youth development practitioners (in the Provincial Youth Commissions) represents one of the factors that could further politicise the youth development agenda by emphasising political youth affiliation as a key determinant for employment in Provincial Youth Commissions. As a consequence, the agenda setting process for youth development takes place within the ambit of politics, as opposed to being framed as distinctly developmental concerns that have critical socio-cultural and socio-economic implications.

14.5. CREATING AN INTEGRATED FRAMEWORK FOR YOUTH DEVELOPMENT

The discussion document does not specify what is meant when referring to 'an integrated framework for youth development', other than creating a framework that will maintain, realign, and amalgamate existing youth-centred organisations such as the Umsobomvu Youth Fund and the National Youth Commission. What is needed, however, is more than a relatively narrow focus on existing organisations; there is need to interrogate how these can be better structured to respond to the needs of young people. Indeed, these could be better coordinated so that they fulfil their mandate. A more salient approach would be to clearly define youth development and mainstream youth issues at all the various levels of government, setting out clear departmental and governmental responses to the development of young people, thus ensuring a systematic and integrated approach to enhancing the lives, skills and opportunities of the youth.

In addition, youth development programmes in South Africa are taking place within the context of a broader transformation project, a central component of which is nation building. The hitherto employment-creation/labour market-centred development framework for the youth largely ignores this broader national imperative, making it difficult to situate youth action and engagement in the post-1994 nation building agenda. Rather than treating young people as objects of the market, the national youth development agenda has to be a much broader mandate, which, as highlighted earlier, focuses on young people as agents of social change, future leaders, and capable participants with the capacity to shape, as opposed to being shaped by, current development strategies. Their capacity has to be enhanced through a youth development trajectory that is cognisant of and responsive to the youth's civic, cultural, and social capabilities.

14.6. CONCLUSION AND RECOMMENDATIONS

Young people in the post-apartheid era represent a diverse and differentiated category along, *inter alia*, class, racial, generational, gendered, and geographical lines. Any attempt at

articulating a coherent set of developmental interventions towards addressing their needs and interests has to be cognisant of these various sources of differentiation and exclusion, as well as the integration of youth interests into the broader nation building and development agenda. A narrow focus on 'black youth' and their socio-economic emancipation is insufficient, and perhaps even inimical, to charting a 'South Africa that truly belongs to all who live in it', as well as a single national identity. That said, it is just as important to resolve and eradicate apartheid-based inequalities and create opportunities that can end the cycle of poverty and marginality that is characteristic of the lot of black youth, and African youth in particular. The challenge then, is how to articulate and implement an integrated youth development framework that can balance both sets of national imperatives.

This paper nonetheless makes a case for a clearly articulated youth development programme that is sensitive to the plethora of identities and differentiation among South African youth. Furthermore, it calls for increased critical engagement with the effects of education and other policies on different youth categories, and how these differences in outcome can be mitigated to ensure the systematic upliftment of all youth. Unfortunately, these are all issues that the Discussion Document has hardly - if at all. Missing also is a contextualisation of youth developmental challenges within the broader nation building agenda as agents of social change, as well as a more *holistic* approach to improving the quality of life of young people.

14.7. REFERENCES

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PART FIVE

Legislature and governance

15.1. INTRODUCTION

Compared with several of the other eleven policy documents, the “Legislature and Governance for a National Democratic Society” is a model of clarity. Partly this is because the issues are pre-defined: the policy document is not an open-ended invitation to debate policy across the whole realm of governance, as say, the policy documents on social welfare or the economy. Both the document’s brief and its drafting style are an aid to comprehension. Whereas many of the other policy documents often descend into technobabble or government bureaucratize, or offer a pale mimic of the Marxist-Leninist language of a bygone revolutionary era, wandering hither and thither in their attempt to shine light into the cloudy water of government policy implementation, the governance paper canvasses four distinct matters: the electoral system; the future of the provinces; floor-crossing; and, post-tenure/employment rules for public officials.

There is some fudge, but there are also some very specific recommendations. The pros and cons are set out with admirable objectivity and relatively little sense of there being a pre-ordained view from on high. Ironically, while the parameters of the policy debate on governance limit it to the four topics, within those constraints there appears to be an open mind.

15.2. ELECTORAL SYSTEM

Contrarians might, for the sake of argument, take issue with this over-arching appraisal of the policy document on the basis that the ANC has little or no appetite for a change in the electoral system. In addition, they could argue that the presentation of the arguments for change are a product not of an open mind but of a need to show a modicum of respect of the Electoral Task Team chaired by Van Zyl Slabbert in the early 2000s.

On this, a bit of history does help. The commitment to proportional representation was all but unanimous across the parties negotiating the constitutional settlement in the early 1990s. After all, it is a system that ensures that every vote counts and, combined with the very low threshold for entry into the National Assembly (namely, 0.25% of the popular vote - around 85,000 votes), provides for a diverse representation of minority views in parliament. While the imperative of the first election in 1994 may have dimmed a little with the

familiarity that comes with repeated electoral processes, the simplicity of the current system remains a virtue.

Perhaps revealing the underlying disdain, the policy document crudely brands the core argument for change as the “oft-cited view that the current system lends itself to abuse by ‘party bosses’”. The majority of Slabbert’s task team sought to introduce greater direct accountability into the system by recommending a mixed system of large, multi-member constituencies with a ‘top-up’ of MPs to ensure overall proportionality. The policy document notes that at local government level, where there is a degree of direct, constituency representation, “there are still complaints of distance and lack of accountability”. Constituency representation is generally over-rated as a panacea for accountability: strong internal party management can have the same dulling effect on independent thinking and action whichever system is in place (as I know from my own experience as a local Labour party activist in the UK). The calibre and standing of the individual representatives will matter greatly and while the document is candid in acknowledging that the quality of elected representatives at all levels is not what it should be, it fails to link this fully to the principle of accountability.

The document is even more demur in failing to explain to its readers why the ANC came so close to agreeing to a mixed electoral system at the eleventh hour of the final constitution negotiations in April 1995, probably because it touches on one of the ANC’s most awkward subjects: ethnicity. Wherever you are in the world, local parties will have a big - if not decisive - say in who is the candidate for election in the particular constituency. Think about it: who would comprise the majority of MPs directly elected in this way? Black men. In order to adhere to its laudable goal of offering socially diverse representation in parliament, the ANC would have to use the ‘top-up’ list for women and members of minority social groups, thus creating a two-tier parliamentary caucus. The inherent tensions would be too much. Hence, although different reasoning prevails in the policy document, the conclusion is no less plausible: “The factors that led us to go the proportional representation route for national and provincial elections remain valid”.

15.3. POST-TENURE/EMPLOYMENT RULES FOR PUBLIC OFFICIALS

In the case of the post-tenure/employment rules for public officials, the problem that must be tackled is now well-understood. The document summarises it neatly, stating that “The principle issue is that people in privileged positions or persons with access to privileged information should not use this to obtain benefits which would not be available to others with similar qualifications or ‘suitability’ for the benefits conferred”. Too many former cabinet ministers or senior public officials have swanned straight into lucrative positions in the very industry or sector that they have been governing. Independent review of any private appointment might help, but the introduction of a ‘cooling-off’ period - the most popular and obvious prescription - will not, however, as the paper rightly concedes, necessarily

prevent corruption in and of itself. And given that the law on this is that such a restriction on a person's right to gainful employment must be "reasonable", what, apart from the sake of appearances, is the point of regulating? The need to establish an ethical standard is one answer. Sometimes the symbolic is as important as the instrumental, in shifting both mindsets and conduct. In any case, proposals for regulation have already been considered by cabinet; the policy conference debate is really about ensuring that the organisation is sufficiently on board and willing to promote a new social consensus on the relationship between business and government.

15.4. FLOOR-CROSSING

On floor-crossing, the arguments for and against are also carefully laid out, though one suspects a slight bias against retaining the system. No doubt looking around at the strange bedfellows that it has collected, there has been a growing disquiet amongst the ANC's national executive committee members and, in at least some quarters, acute embarrassment at how well the rule permitting individuals to change parties has advantaged, predictably enough, the ruling party. As the document correctly observes, "[t]he ANC is likely to be the only political party supporting floor crossing when the matter is debated in the National Assembly". The sub-text is clear: 'it is really about our appetite for partisan advantage over principle'. That will be the choice the organisation faces in late June.

15.5. PROVINCES

The future of the provinces poses an even more demanding question for the ANC. Are they worth the cost? Again, a sense of historical perspective is instructive. The ANC was never an enthusiast of devolved executive authority; hence, we ended up with a quasi-federal system in which the provinces have very little real power. Just look at the relevant schedule of the constitution to remind oneself of the exclusive areas of provincial legislative competence: it is all abattoirs, ambulances and, yes, veterinary services. Of course, the politics of the provinces and the role they play in the overall system of constitutional design is far more complex and nuanced. Certainly, there will be deep resistance to even reducing the scope of the provincial sphere: too many jobs depend on it; too many fiefdoms have been built. While the ANC's hard-nosed governmental realists, such as Trevor Manuel, have long reached the conclusion that the provinces are more of a hindrance than a help to effective governance and delivery, they will face a task of Sisyphus if they are to persuade their conference colleagues to agree to apply the surgeon's scalpel to the provinces. Compared to this potentially bloody battle of wills, the other three issues will seem like a walk in the park.

15.6. CONCLUSION

Still rivers run deep. So, the relative composure and precision of the legislature and governance paper disguises the fact that there are extensive other political considerations that my drive the final policy positions of the ANC. Moreover, significant other governance issues - most notably the question of the funding of political parties - have been omitted from consideration, as have the wider question of regulating the relationship between corporate lobbyists and legislators has not been considered. There is no discussion of the vexed question of parliamentary oversight of the executive, surely the most pressing area of weakness in the legislative arm of government. Furthermore, there is a wider range of governance issues relating to the public service - such as the failure to embrace both the letter and the spirit of the Promotion of Access to Information Act and the Protected Disclosures Act: a request for information is still more likely to be met with silence than a timeous disclosure. And public servants who blow the whistle are still more likely to suffer reprisal than be welcomed as public interest heroes. Instead, some of these issues are touched on, but not dealt with satisfactorily in other policy papers, such as the one on "Revolutionary Morality". Thus, one is left with the distinct sense that in contrast to the constitution-making years of the mid-1990s, the ANC has lost sight of the holistic nature of governance, of the interdependence of the institutional, legal and policy prescriptions. Instead, therefore, the legislature and governance policy document slices off four issues, dealing with them in a "silo" fashion, as if they were unconnected with a host of other factors that determine the strength or otherwise of South Africa's legislative and governance environment. On the four issues, all other things being equal, it is likely that the current electoral system will be retained, the conference will give the green light to regulation of post-employment/tenure by public officials, and floor-crossing will be disbanded. On the provinces, the water is far muddier; to attempt to fathom a solution in isolation of the wider constitutional and governance picture will be as unwise as it will be troublesome. Inertia, therefore, is likely to win the day; there are simply too many vested interests to permit serious reform.

PART SIX

Transformation of the Judicial System

16.1. INTRODUCTION

By winning the first-ever multi-racial, multi-party democratic elections in the history of South Africa, in April 1994, the African National Congress (ANC) assumed a historically daunting responsibility and task of becoming a “ruling party” of a constitutionally prescribed Government of National Unity (GNU). The challenge was not only in putting into place a viable and functioning GNU constituted by the principal political protagonists before the historic elections. The more difficult but rather “hidden” challenge was what was being inherited in the form of the State. To paraphrase a common phrase in Marxist Leninist classics, a revolutionary liberation movement cannot simply lay its hand on the repressive racist colonial State and expect that it can serve the revolutionary interests and goals of those who have liberated themselves. What was the nature of the *apartheid* colonial State in all its institutional, organizational and ideological characteristics?

This chapter is intended to provide a critical examination of the courts and the judiciary with a view to demonstrating that the thinking and debates about a developmental State and the pursuit of a National Democratic Revolution (NDR) stand little chance of actualization because of insufficient theorization and understanding of the State. Theorisation of the State in mainstream academic, trade union and political party popular discourses in South Africa, are generally shallow as they concentrate almost exclusively on the Executive and the Legislature, the visible locations of politicians. There is neglect of the courts and judiciary which are highly influential and effective instruments of State and governance. Of the three arms or branches of State and government, to use the widely accepted liberal democratic theory and doctrine of separation of powers, the courts and the judiciary have remained the least transformed since 1994. To the extent that a transformed and progressive developmental State is necessary in prosecuting the NDR, the current level and depth of transformation of the State still remains weak. The weakest links in this weakness are the courts and the judiciary.

16.2. THE COURTS AND THE JUDICIARY: CENTRAL AND ESSENTIAL ORGANS OF STATE AND GOVERNANCE

The South African State has a reasonably good Constitution, but it is not perfect. One of its glaring imperfections expresses itself where “organs of state” are defined to include any

functionary or institution “exercising a public power or performing a public function in terms of any legislation, but does not include a court or a judicial officer” (Constitution of the Republic of South Africa, 1996, Act Number 108 of 1996, section 239). The absurdity of the exclusion is even more striking when the very Constitution requires all other organs of State “to assist and protect the courts to ensure the independence, impartiality, dignity, accessibility and effectiveness of the courts” (Constitution, section 165 (4)). The Constitution proceeds to provide that an “order or decision issued by a court binds all persons to whom and organs of state to which it applies” (Constitution, section 165 (5)). Fidelity to enforcement of final court decisions, even where the Executive or the Legislature have different opinions, is an essential elements and measure of the Rule of Law. In instances where the political executive or the legislatures believe that any particular interpretation of policy or law by a court would cause public harm or undermine some important transformation agenda, the recourse lies not in defiance but rather in introduction of new policy or legislation, as the case may be.

How can one of the three primary and essential arms or branches of State and government (the other two being the Executive and the Legislature) be excluded from the definition of organs of state? This anomaly may have been the product of some de-contextualised esoteric learned advice that relied on studies of some foreign jurisdictions. It perhaps contributes to the hypersensitivity among judges and some conservative lawyers about “independence of the judiciary”, as discussed later.

16.3. THE UNFINISHED AGENDA TO NORMALIZE THE DEMOGRAPHICS

The Constitution requires the judiciary to reflect broadly the racial and gender composition of South Africa (section 174). The interpretation that was given to this principal by the Judicial Service Commission throughout the 1990s did not change the demographics very much. Given the apartheid past, changing the face of the courts was an imperative. The process of appointing more blacks and women, especially black women, has somehow recently started to accelerate. For the NDR, the demographic composition of the courts and the judiciary is important. However, demographics alone are not sufficient criteria for measuring transformation. Ideology, legal culture and intellectual ability are of paramount importance.

16.4. FORMALISM, HIERARCHY, FEAR, FAVOUR AND PREJUDICES

An important study of the legal culture of the South African courts and judiciary establishes formalism and hierarchical ideology that thrives on fear, favour and prejudice to be the trademarks that have reigned from the 1920s well into the new democratic constitutional period (M Charnock, *The Making of South African Legal Culture*, 2001, chapter19). A post-1994 addition is the propensity for use of European, North American and Australian legal

writings and jurisprudence in legal arguments before the courts. These are reflected in judicial decision making and overall legal reasoning and thinking in reported cases (Constitution, section 39). The Constitution indeed provides for reference to relevant comparative foreign jurisprudence, but does not direct that the first port of call is the white North. References to legal writings and studies by non-whites, foreign or local, is rare indeed in reported cases.⁷⁹ This cannot be accidental.

Perhaps, the reason for continuity of legal formalism, fear, favour and prejudice in the courts and the judiciary even after 1994, lies in the fact that the legal profession from where judicial officers are drawn, is itself steeped in conservatism and resistance to transformation. Efforts to enact law on transformation of the profession to bridge the division in legal practice between the advocates and the attorneys and to broaden legal practice by recognizing paralegal practitioners, was effectively killed by the organized formations within the profession during the tenures of two former ministers of justice and constitutional development, Dullar Omar and Penuell Maduna. The jury is still out on whether the current minister, Bridgite Mabandla, will move the mountain. The fact that the Minister has been able to convince the profession and other role players in the justice system to agree to the drafting of the Legal Services Charter, is a positive development.

The Judicial Commission Amendment Bill and the South African Judicial Education Institute Bill that were recently introduced in Parliament regarding judicial education and training and a complaint mechanism against judicial officers, as well as the proposed Bills concerning the restructuring of the courts and the language in court proceedings and records, should not only be welcome. They should be debated extensively so that the public influences the final products. Stakes are so high that the debate around these transformative initiatives should not be confined to the Minister, the judges, legal practitioners and Parliament. Otherwise, all that will attract attention is "independence of the judiciary".

16.5. REGIONALISM AND THE IRON WALL BETWEEN THE JUDGES AND MAGISTRATES

South Africa is not a federalist or regionalist state; it is one sovereign state. Despite this, as I have argued elsewhere, to the discomfort of many (S. Gutto, *Equality and Non-Discrimination Law in South Africa: The Political Economy of Law and Law Making 2001*, in chapter 8), the structure and organization of the courts remains essentially the same as they were in 1994 - complete with the old provincial names and even divisions between White South Africa and the Bantustans at the high court level. There remains an iron wall between the higher courts and the magistrates courts, to the extent that some judges are not prepared to attend

⁷⁹ For example, one of my works was referred to approvingly by Judge Claasen of the Johannesburg High Court in *BP Southern Africa (pty) Ltd v MEC of Agriculture and Others*, 2004 (5) SA 124 (W).

continuing education and training programmes with magistrates. This was the case in the early part of the decade, when training on the equality legislation was conducted.

16.6. LANGUAGE: INSTRUMENTS OF JUSTICE OR INJUSTICE IN THE COURTS?

English and Afrikaans remain a problem for justice in the courts. They are the only languages of record, thus ensuring that justice on record has no indigenous African identity. Even where proceedings are conducted in the other nine official languages (soon to be ten with Sign language being added), the quality and extent of interpretation and translation remain very low. This certainly undermines the constitutional equality of the official languages and fair trial rights (Constitution, sections 6 and 35).

16.7. COURTS AND LAW MAKING

Globally, bourgeois liberal ideology has been very successful in promoting the myth that judges do not and should not participate in law making; they only interpret and apply it. The myth is an important ideological tool because it is central in buttressing the principle of legality wherein laws are predetermined and certain and not constructed on the spot when a particular crime is committed or a dispute has arisen. The myth also buttresses the doctrine of Separation of Powers: Legislature enacts (makes) law; the Executive makes policy and enforces the law including court decisions; and the Judiciary (the courts) only interpret and apply the law in resolving disputes. It is precisely because we believe so much in these ideological constructs that we sometimes begin to worry about the so-called "activist" judges (Government's 10 year's Review Document), not realizing that judges are always silent activists in the promotion of their fundamental beliefs and ideological inclinations.

The fact of the matter is that courts, as an institution, play significant roles in law making by giving interpretation and meaning that sometimes contributes to progressive advancement of society and at times forestalls progress. What is problematic is to believe that they do not and should not. After all, the Constitution also allows the Executive to participate in preparing and initiating legislation (Constitution, section 85), in addition to the usual practice of making subsidiary legislation in the form of regulations. For the courts, the Constitution expressly permits judges to develop and apply Roman-Dutch common law and indigenous African customary laws (Constitution, sections 8, 39, 173 and 211). Furthermore, they share with the Executive and the Legislature the power to make rules of procedure regarding the conduct of proceedings (Constitution, sections 171, 173 and 180). Notwithstanding the constitutional mandates, this shared power is currently being hotly contested because the judges claim that they ought to have sole authority in making rules of

court. Because of claims emanating from the judiciary, the media is saturated with discourses of how the government (read the Executive) has a sinister design to muzzle the independence of the judiciary.

The Constitution further gives the higher courts general power to determine whether an act or law is constitutional or not (Constitution, section 192, read with section 2). It is the utilization of such powers that have been demonstrated with great effect in law making decisions such as the one that gave parliament no choice but to enact the Civil Unions Act legalizing same-sex marriages; the other was the decision in the *Makwanyane* case (1995) that abolished the death penalty, by reasoning that the right to life is incompatible with the death penalty. The Constitutional Court is also given the authority to decide whether enacted legislation is constitutional or not, where the Court is so requested through a referral by the President or the parliamentarians (Constitution, sections 79 and 80).

16.8. THE MISSING LINK: SOUTH AFRICAN AND AFRICAN IDENTITY AND VALUES OF LEGALITY AND JUSTICE

We have noted that legal practitioners and the judges rarely consider and use writings by Africans in course of their work. This translates into the dominance of white thinking and ideology in the construction of South African jurisprudence. Worse still, is the general prejudice and contempt about indigenous African values on law and justice. Dial Ndima's *The Law of Commoners and Kings: Narratives of a Rural Transkei Magistrate* (2004), explains how the imposed Eurocentric conceptions of law and justice tramples on the understanding of justice from the point of view of ordinary African people. Legal procedures, applicable rules and the types of remedies that the law empowers courts to give to parties or the types of punishment do great injustice to the dignity of the masses. There is occasional flirtation with *ubuntu* as judges Mokgoro, Madala and Sachs of the Constitutional Court did in 1995 in the *Makwanyane* case when they interpreted the provision in the Interim Constitution on the right to life to mean that there should no death penalty.

It is conceded that indigenous African laws, norms and practices were distorted, marginalized and in many areas, prohibited under centuries of colonial domination and rule. This, however, should not be an excuse for courts, the judiciary and scholars not to embark on serious reconstruction and development of African law. The aim should be to create a truly African South African legal regime that is a blend of all the best, but that has a strong African identity in content and image. The NDR should have a distinctly African context while containing elements of genuine progressiveness common to humanity.

16.9. A DEVELOPMENTAL STATE PROSECUTING A NDR WITHOUT THE COURTS AND THE JUDICIARY?

What this contribution has attempted to do, is locate the discourse about the Developmental State and the NDR into the context of where South Africa is coming from, and where it is at the moment. More importantly, the chapter has critically examined the courts and the judiciary with a view to demonstrating its centrality within the conception of the State. By proceeding to show that the courts and the judiciary still have a long way to achieve the limited levels of transformation that the Executive and the legislatures have reached, it stands to reason that the collective capacity of the State to be developmental and become the dynamo for leading society through a progressive NDR, is very limited. Put differently, the NDR is untenable unless the State, including its judiciary component, is transformed.

PART SEVEN

Transformation of the Media

17

THE ANC AND THE FOURTH ESTATE

MATHATHA TSEDU

17.1. INTRODUCTION

The ANC has a problem, not with the media, but with itself. Born in 1912 as an organisation of the educated elite who wanted civil rights accorded to civilized black people, it evolved into an organisation that flirted with socialism and the language of the politics of the left. This was when it was a liberation movement operating from outside South Africa and heavily reliant on support from socialist countries to wage the struggle against the apartheid regime.

Since its ascendancy to power in 1994, however, and indeed sometime before that, its behaviour has been capitalist through and through. The GEAR policy, the embracing of the free market policies, the cordial relationship between this country and the West, are all indications of a country and, therefore, an ANC government that has accepted capitalism as its alpha and omega. Yet in the rhetoric of debate around policies, the ANC clings to a pseudo commitment to socialist beliefs. Reference to the National Democratic Revolution, the masses of our people, the motive force for change, and the media as a contested terrain of influence, are just a few examples of the socialist talk that characterizes ANC dialogue.

Given that the ANC is still in alliance with the SACP and Cosatu, and that these two present themselves as champions of socialism or socialist talk, one should be lenient with the ANC. Perhaps it still has to appear to be socialist in order to hold the fort. If it does not, it may find itself accused of being the capitalists it has actually become. Is the ANC ready to accept that it is committed to capitalism and even its language must reflect that commitment? No, if you look at the policy document titled "Transformations of the Media".

17.2. AN OVERVIEW OF THE DISCUSSION DOCUMENT

The document traces the ANC's views of the South African media and examines the media environment and the changes that have taken place. It also looks at the concept of media freedom and issues of diversity, and then poses questions for members to deal with in their deliberations at branch meetings. If the semi-socialist rhetoric is set aside, the document advocates a media that does not "mechanically follow a single progressive political line". Instead, it argues that what South Africa needs is a "media which is able to reflect the diversity of views and interests within society, and to act as a forum for a vigorous exchange

of views - a contest of ideas that enriches the democratic process and contributes to the building of a national democratic society”.

It disabuses readers of the notion that media can only be understood in terms of two opposites: “The first of these is that the media, its content and its ideological allegiances are necessarily fixed by prevailing patterns of ownership and control,” and that as a result, “progressive forces will never receive favourable treatment as long as these persist”.

This relates to the old argument that because white companies owned the media or the print media particularly, progressive forces or black groupings generally, would only be favourably covered when black ownership is achieved. The document rightly points out that this is not so, arguing instead that what matters are the revenues deriving and the extent to which such revenue is based on the class distinctions within the target market of the various media. The higher the class of the readership, the more the advertising revenue; as long as the content drives these bottom line revenue figures up, editors are free to do as they will, including giving progressive forces space.

However, the document also argues that the converse is applicable. “Even where management may adopt a hands-off approach to editorial matters, they would certainly step in to prevent their title from adopting an editorial stance that may antagonize their target market or alienate advertisers”. The second view that the policy document disabuses people of is that “the media is much like an empty vessel, whose content will be determined by those who are most vigorous and persistent in engaging with it”. In other words, it is not just the skills of a media liaison officer and the good language of a press release that determines whether it will make it into the news pages. Journalists and editors make their own decisions based on news value, and the ANC says in this document that that news value is based on an ideological leaning of the journalist/editor concerned.

The document analyses, correctly, the factual situation around the changing face of the media in this country, and comes to the conclusion that ownership of the print media is “highly concentrated”, with Media24, Independent and Johnnic owning 95% of weekly and daily newspapers. It is a world-wide phenomenon but the ANC argues that while this may make commercial sense, “allowing for economies of scale and for the same resources (including content) to be shared among different titles, such consolidation does not contribute to greater diversity”. Instead, concentration limits the wide range of voices possible as one company would use one journalist's story in as many as three publications.

But it is the SABC that the document spends some time on, and rightly so. Assessing that the SABC has changed from a mouthpiece of the apartheid regime, the document says it has not become the mouthpiece of the new ANC government but has instead become a public broadcaster “guided by a public service mandate” “to serve all South Africans.” It is a view that may not be shared by many who see the cabinet lineup in each news bulletin as proof that government is being favoured, if not by order, then by preference. The challenge for

the SABC, the document says, is its funding model, where while it carries a public broadcaster mandate, it has to effectively fund its operations from commercial advertising.

“While it is not a commercial venture, some of its stations have an explicit function to generate revenue through advertising. The public funding available to the SABC, including its own license fees, is not sufficient on its own to enable it to operate such a diverse and extensive range of broadcasting services. But the need to generate advertising revenue constrains the public broadcaster's ability to perform its public service”. What this means is that advertising placements are determined by audience ratings, and advertisers will only go to those programmes and slots that are proving to be popular. The driving force behind programming then becomes popularity and audience rating rather than the due consideration of worthy mandate causes. In this way, the public mandate to “uphold and promote the values enshrined in the constitution,” and its commitment “to nation building, reconciliation and forging an inclusive national identity and the reconstruction and development of society” fall by the wayside.

But the ANC is in government and instead of making these observations and identifying them as a problem, they should be able to say what needs to be done - which is to increase the public funding to enable the noble public mandate issues to be covered. But the document does not do that because the ANC has gone capitalist in government even if in its rhetoric it still wants the SABC to deliver socialism. Instead it posits another problem for the SABC, the advance in technology, with news deliverable through cell phones and internet, and the opening of encrypted broadcasting to more players, which will mean that SABC revenue will come under more strain. So again, here we see an ANC that would want the SABC to continue to carry a social agenda on the back of a programming that is driven by a commercial imperative.

The ANC in government will not increase its funding of the SABC, but will continue to expect it to deliver on a mandate that is essentially inimical to the commercial cutthroat environment it is forced to operate in.

17.3. CONCLUSION

The only saving grace is the arrival of the Media Development and Diversity Agency (MDDA) into which government has put R7 million and the private sector print and broadcast media R10 million. This is used to finance startups for media in communities where none exist.

Instead of moaning about the urban mega papers, government is at last helping to start a revolution where newspapers are funded and assisted through the state news agency BuaNews, to also get news about what government is doing. Radio clips and news items are sent to media outlets and in some cases even, commercial entities have used the stories from BuaNews. It may look and sound so small and insignificant compared to the major titles that sell hundreds of thousands. But the MDDA initiative is the one area where government is

trying to put its rhetoric into effect. And this is important, for as the document says, freedom of media is about diversity. As the multinational owned media conglomerates even further, diversity remains only with the small voices.

Freedom of the media is not only about the absence of restrictive laws, it is about the ability of all people to access information and use it to better their lives. If information is indeed power, the information rich are the powerful, and the information poor are the powerless. There is recognition of the need to empower the powerless but the document is a far cry from a blue print of how that would be achieved. In that regard, the document is a simple rehash of the ANC's previous positions, coupled with an analysis of the media situation as it prevails today. Anyone looking for a glimpse of what the ANC may be planning on the media front in the future will be disappointed as there is no inkling.

18.1. INTRODUCTION

The media is the only industry which is worthy of its own ANC policy discussion paper, reflecting the organisation's view that media is important as both a target and engine for transformation. To understand the latest iteration of this discussion, one has to trace the trajectory of policy since 1992, which will highlight what is changed in or absent from the 2007 document.

18.2. 1992-2007

The latest ANC discussion document, "Transformation of the Media", makes use of an intriguingly selective account of the unfolding of ANC media policy since the organisation's unbanning in 1990. It starts with the 1992 "Ready to Govern" document, which declared the ANC's commitment to media freedom, but warned that this must be "underpinned by an equitable distribution of media resources". Given the skewed nature of media control and access under apartheid, the ANC said in 1992, that we would need "policies of affirmative action to redress the inequalities".

The 2007 document leapfrogs from there straight to the 51st National Conference in Stellenbosch in 2002, as if there were few developments in the intermediate decade. It simply quotes the discussion papers from that conference saying "valuable progress has been made in transforming the media and challenging the legacy of apartheid, but a lot still has to be done". That is an anodyne account. It skips over the bitter exchanges with journalists after President Nelson Mandela's 1994 speech to the International Press Institute and his harsh words for black journalists who were failing to deliver the transformation the ANC expected. It ignores the ANC's assertion that the media, burdened by its past, was unable to meet the challenges of the 1990s and was hostile to the ANC and the transformation project.

In 1999, the ANC view was still tough:

"After five years of democracy, little has changed in the media environment. The ANC is still faced with a primarily hostile press corps, as media is still primarily owned and controlled by antagonistic forces with minority interests. The result has been a continuous onslaught of negative reporting on the ANC and ANC-led government." (1999 ANC Conference Discussion Documents)

This was modified by 2002:

“ Considerable progress has been made and some significant milestones achieved with regard to ownership patterns, licensing of new media, increase of black and women journalists, repositioning of SABC, a measure of diversity in ownership with black empowerment groups and union funds controlling some of the assets... These are putative first steps towards the transformation of the media industry.” (Media in a Democratic South Africa, Discussion Document, ANC National Conference, Stellenbosch Dec 2002)

But the 2002 document still lamented the lack of a media which it felt truly represented the masses:

“Despite changes (since 1994), there still is no significant media which represents and articulates the aspirations, viewpoints and interests of the biggest constituency in the country. The functioning of the media is still rooted in its history in the political divide that has characterized South Africa since the advent of apartheid...(ANC:2002)

And the ANC still viewed the media as ideologically hostile:

“Most probably, it is in South Africa alone where a political movement that enjoys almost two thirds of electoral support does not have any media outlet that supports its programmes and functions editorially within it's political ambit.

This state of affairs stands in contrast to the collective body of media that on any given day will take the same positions and choices as the opposition parties who collectively cannot garner more than a third of the vote in elections ...

Most often than not, it is the opponents of the transformation agenda of government who find space to articulate their views.” (ANC: 2002)

18.3. 2007

The gaps in this history, as told in the ANC 2007 document, masks an inexplicit shift in its critique of the media. A different language is now adopted, and a modified set of concerns articulated. Gone is the view that our media remains racially unbalanced, dominated by anachronistic views ideologically hostile to the ANC and transformation. Gone is a programme for transformation. Now the authors draw on a global critique of a media world increasingly controlled by a few conglomerates and operating under overwhelming commercial and bottom-line pressures. It is a critique stemming directly from radical American writers such as Ben Bagdikian, Robert McChesney and Noam Chomsky, who argue that the these conditions make it increasingly difficult for the news media to play the role it should in a democracy.

For example:

“The freedom of the South African media is today undermined not by the state, but by various tendencies that arise from the commercial imperatives that drive the media. The concentration of ownership, particularly in the print sector, has a particularly restrictive effect on the freedom of the media ...

This is not a particularly South African phenomenon. Around the world, consolidation of media groups - and the drive to maximize profit - has led to a global homogenization of news ... Despite protestations to the contrary, there are an increasing number of instances where the supposedly-sacred separation between management and the newsroom is breached, where commercial considerations influence editorial control”. (Transformation of the Media, ANC Discussion Documents 2007)

The discussion document is, therefore, most notable for what has been dropped from the discourse. There is no picture of a media, structured under apartheid, which is ideologically hostile to the ANC and transformation. Now it is a standard and more universal critique of the market-driven model of a free press. The central problem now is defined as a lack of equal access to the media for those marginalized in our society, because of modes of ownership and control, and the resultant lack of diversity of voices. The paper makes no suggestion as to whether something needs to be done about this.

18.4. NEWSPAPERS

Dealing with the newspaper sector, the document acknowledges the emergence of a number of new titles, saying this suggests “a hundred flowers are blooming, a hundred schools of thought contending”. But ownership concentration limits the “range of voices and interests to be heard”, they conclude. This is a surprisingly cursory treatment of the emergence of mass market populist tabloids, which have come to dominate and enliven an unusually dynamic newspaper market. (SA newspaper sales are up 43% in three years, according to the World Association of Newspapers.) This phenomenon means that the ANC is facing a sector transforming in ways in which they neither predicted nor intended, but need to be taken into account. Certainly, it cries out for an assessment of what impact this has had on the lack of “significant media, which represents and articulates the aspirations, viewpoints and interests of the biggest constituency in the country”. (ANC: 2002)

If one's primary concern is diversity, and the document certainly foregrounds this, then it seems strange not to take account of the fact that these papers - whether or not one likes them - are changing the nature of both audiences and content.

18.5. BROADCASTING

On broadcasting, the ANC decries the lack of diversity but does not deal with the fact that the dominant conglomerate - and one that has plans aggressively to grow its share of the market with new channels and outlets - is the public broadcaster. The document does not

explicitly mention recent SABC editorial controversies but does devote a paragraph to asserting that they face a “challenge” to ensure that the SABC “avoids both the perception and the reality that it is an uncritical mouthpiece for the government of the day.” The document shies away from the word “independent” preferring to assert that the SABC should be non-partisan, representing in its coverage the diversity of the country but “be explicit in its commitment to national building, reconciliation, forging an inclusive national identity and the reconstruction and development of society”.

The document defines SABC funding as a major challenge, decrying the national broadcaster's heavy reliance (over 80% of its revenue) on advertising and the constraints this imposes on its developmental function. But the paper goes no further than this, and it is a step back from the 2002 conference document which explicitly called for a new “public funded model” which would free the SABC from commercial constraints.

18.6. COMMUNITY MEDIA

This year's document maintains the long-standing position that the community media sector is extremely important for diversity, offering a media voice to those who lack access to the mainstream. The statutory body set up to address this, the MDDA, it reports without comment, made R3,5-m available to support community print media, R2,7-m for community radio and R2,4-m for small commercial media in 2006. Notably, only R7-m of the MDDA's budget came from government, while R10-m came from the private sector.

The paper's recommendation in this regard is mealie-mouthed: “It is necessary to look at mechanisms to ensure they (community media) have the resources and skills to sustain themselves”. Absent is a call for government to give more, to take their own statutory body more seriously, to even match what the private sector is doing. Nothing as strong as the 2002 call for public funding “for the public and community media to serve as vehicles to articulate the needs of the poor, rural people, women, labour and other marginalized communities”.

The document does suggest that more community radio licences should be considered, but this seems pointless if the issue of sustainability is not adequately addressed.

18.7. NEW MEDIA

The most notable lacuna in the document, however, is the absence of substantive discussion of new media, digitalisation, convergence and the way these phenomena are changing the production, delivery and consumption of information. In what must be the understatement of the year, it says “new media forms are now also achieving some prominence”, but is generally dismissive, saying “internet reach remains low” and “while the internet provides

greater opportunities for a greater number of people to publish views, news and other information ... this hasn't had much impact on the South African media environment".

Absent is any discussion of the brakes on growth of internet access and the controversies which surround it (expensive telecommunications, for example) or on what may be the most crucial information issue we face: the growing digital divide between ourselves and the countries of the North. It is common purpose that our capacity to compete globally is hindered by the fact that this divide is growing, with major economic, social and political implications. Not to deal properly with this, or consider measures to address it, is a yawning chasm in the ANC's media policy discussions.

18.8. STANDARDS OF JOURNALISM

Instead, we have a stock, unsubstantiated generalization about "poor resourcing of journalists and low standards". For instance:

"...terms like 'funding scandal', 'Islamic extremist', 'controversial minister' (to many a journalist's shame) 'generally corrupt relationship' are commonly applied ... without a moment's thought about their veracity or the value judgements which may inform them".
(ANC:2007)

Are we to take seriously a suggestion that throughout the profession, through all the local media, there has been "not a moment's thought" about language choices? The truth is that there are one or two newsrooms in South Africa which are very well resourced by international standards (notably the SABC), but there is no obvious connection between resources and quality. More pertinent for the ANC might be the fact that many members of their core constituency are becoming avid readers of mass market tabloids. This is producing its own issues of journalism quality and representation, which may have a more immediate effect on ANC politics than it seems to expect.

18.9. CONCLUSION

The ANC's 2007 media policy discussion document highlights some of the important trends in our print and broadcasting sectors, but does not grapple with them in a substantive way. Most notably, it does not suggest changes in policies, regulations or structures which an ANC government can employ to address these issues. If concentration of ownership is an issue, is the ANC suggesting some special measures to address this? If community media is under-resourced, is the ANC proposing to shift some of the budget surplus towards this cause? If the SABC needs to be seen to be non-partisan, what steps are required to achieve this?

Media transformation may be taking a different form from that which was anticipated, driven by the popularity of the new tabloids, the rush of pay-TV applications, the speedy

switch-over to digital broadcasting and the global popularity of user-generated content. Citizen journalism is upon us and will likely, in time, change the nature of community journalism. Affordable broadband internet, which is driving the most fundamental shifts in global media patterns, is due to arrive as part of the build-up to 2010. It is a patchy media policy which does not try and anticipate the impact of these developments and encourage strategies to make them serve the ANC's goal of embedding democracy and promoting media diversity.

19

MEDIA AND DEVELOPMENT: TOWARDS A DEVELOPMENT JOURNALISM EDITORIAL POLICY FRAMEWORK FOR THE SABC

PROF FACKSON BANDA

19.1. INTRODUCTION

In this chapter, I take up the debate about the transformation of the media raised by the ANC in preparation for its 52nd National Conference. In particular, I seek to interrogate the notion of the “developmental public broadcaster”, with reference to the South African Broadcasting Corporation (SABC). While the discussion document deals with other types of media - commercial and community media - I limit my scope of analysis to the SABC, for the simple reason that it is avowedly national in scope and has a definitive public service mandate.

In the political sphere, there is recognition of the ‘developmental’ character of the SABC. For example, the document constructs the SABC as having “a responsibility to educate, inform, entertain and contribute to the *development of South African people*” (my italics). Within the SABC itself, management seems to embrace the idea of development journalism as a useful normative framework for reportage. But perhaps, there is little appreciation of the extent to which development journalism, constructed in a certain way, can liberate journalists from the strictures of institutionalised journalism.

I seek to demonstrate the fact that journalism is a constructed practice. Some of its practices become so naturalised that they are taken for granted. It is significant to underscore the constructivist nature of journalism in order to open up possibilities for other constructions, such as development journalism.

19.2. CONSTRUCTIONS OF THE NORMATIVITY OF JOURNALISM

The practice of journalism is ‘normalised’ in terms of a particular professional ideology. A synthesis of available scholarly debates about the ideological underpinning of the profession of journalism suggests five ideal-typical traits or values, namely: (i) public service; (ii) objectivity; (iii) autonomy; (iv) immediacy; and (v) ethics.⁸⁰ With regard to objectivity, which constitutes the legitimising ritual of journalism, there have been several counterarguments. Apart from the political-economic attacks, which consider media

⁸⁰ Deuze, M. 2005. What is journalism? Professional identity and ideology of journalists reconsidered. *Journalism* 6(4): 442-464.

performance as a function of the economic sub-structure controlled by the capitalist/ruling class, there are other approaches of discounting objectivity. One such criticism is cultural relativism, which suggests that there is no single absolute truth but a multiplicity of available accounts from which the journalist has to select and construct 'news'. One other criticism invokes the idea of public journalism, which sees journalists as citizens and thus actively engaged in the process of constructing reality as they cover issues and events.⁸¹

19.3. AN EXPOSITION OF DEVELOPMENT JOURNALISM

The concept of development journalism is generally maligned, especially from a liberal perspective. Firstly, it is associated with state ownership and control of the media. Secondly, it is associated with the communitarian notion of group rights which destabilises the liberal foundation of western societies. However, it is important to understand development journalism in three key historical phases, and how each of these gives rise to certain conceptualisations of the phenomenon. As I have noted already, journalism is a constructed practice, and its construction is culturally contextual.

19.3.1. Development Journalism as Modernisation

The first was the modernisation phase, from about 1945 to 1965. It stressed the transfer of the technology and socio-political culture of modernity from the developed North to the Third World. Given its agrarian overtones, it focused on the 'diffusion of innovations' as an engine of growth in developing countries. It saw such countries as immersed in 'backwardness' or 'traditionalism'. It viewed literacy and mass media as a compound that could make people migrate from traditionalism to modernity.⁸²

In sum, the modernisation approach is a top-down development strategy that emphasised the centrality of the institution of journalism in the ethnographic process of development. This is a (neo) liberal approach that elevates the centrality of the institution of journalism in forging agendas, to the near exclusion of the people themselves.

19.3.2. Development Journalism as Dissociation from Dependency

The second was the dependency-dissociation phase. It highlighted the aspirations of the newly independent nations of the Third World for political, economic and cultural self-determination and an ideological distancing from Western forms of modernisation. It

⁸¹ Haas, T & Steiner, L. 2006. Public journalism: a reply to critics. *Journalism*, 7(2): 238-254.

⁸² Melkote, SR. 1991. *Communication development in the Third World: theory and practice*. New Delhi: Sage.

reflected a political agenda of 'non-alignment' espoused in Africa and Asia. The debate about Third World media particularity became pronounced in the promulgation of a New Information and Communication Order (NWICO) by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in the late 1970s.⁸³ Most nationalists in Africa saw the media as part of the state apparatus, such that development journalism became associated with forging national and continental unity, encouraging economic development, and serving formal and social education, including adult literacy.⁸⁴

It can be concluded that the dependency-dissociation model was principally state-centric, which resulted in development journalism becoming so maligned, attracting the disdain of some Western scholars and human rights activists. But one cannot throw the baby out with the bath water. According to Hemant Shah, the idea of development journalism was in the early 1960s associated with 'independent journalism that provided constructive criticism of government and its agencies, informed readers how the development process was affecting them, and highlighted local self-help projects.'⁸⁵

19.3.3. Development journalism as participatory communication

The third was the 'multiplicity' or 'another development' phase. It encapsulates the notion of 'participatory communication', which elevates the cultural identity of local communities. It stresses the value of democratisation and participation at all levels. It sees **development as a product of the people**. Central to this concept are the values of participation, cultural identity and empowerment, all of which are closely associated with the dialogical pedagogy of Paulo Freire.⁸⁶

Accordingly, the participatory communication model views development journalism as a process of 'conscientisation' in which dialogue is more people-centred. As opposed to the media-centric modernisation approach and the state-centric dependency-dissociation model, participatory communication sees journalism as liberating the traditional receivers of mediated communication from their mental inertia, penetrating the ideological mist imposed by the media and political elites and perceiving the realities of their own existence.

⁸³ Servaes, J. 2004. Multiple perspectives on development communication, in *Development and communication in Africa* edited by Charles C. Okigbo & Festus Eribo. Lanham, Boulder, New York, Toronto and Oxford: Rowman & Littlefield Publishers, Inc.: 55-64.

⁸⁴ Wilcox, DL. 1975. *Mass media in black Africa: philosophy and control*. New York: Praeger.

⁸⁵ Shah, H. 1996. Modernization, marginalization, and emancipation: toward a normative model of journalism and national development. *Communication Theory* 6(2): 143-166.

⁸⁶ Servaes, J. 1994. Participatory communication (research) from a Freirian perspective. *African Media Development* 10(1).

19.4. TOWARDS A DEVELOPMENT JOURNALISM EDITORIAL POLICY FRAMEWORK FOR THE SABC?

The participatory notion of development journalism, expounded above, seems consistent with the principles set out in the SABC Charter. The Charter, given effect by the Broadcasting Act of 1999, embraces many of the values set out in the South African Constitution, such as (i) equality; (ii) nation-building; (iii) diversity; (iv) human dignity; (v) accountability; (vi) transparency; and (vii) editorial independence.

The SABC need not be ashamed to embrace the ideology of development journalism in the sense of a participatory model of communication that seeks to reinvigorate the role of the journalist as that of an activist whose mission is fashioned out of the need to be interpretive, critical and conscious of the poor and marginalised communities in society. This would constitute an edge over the concentrated and commercialised media. To this end, it is advisable that the SABC Charter firmly endorses the principles of development journalism, which resonate with the values listed above. More specifically, the SABC editorial policies, which are subject to public scrutiny, would benefit from a conscious commitment to five development-journalistic principles. These principles represent what has been tested in the practice of a type of journalism referred to as 'public journalism'.⁸⁷ Public journalism and development journalism are not so different in terms of the fundamental principles they stress.⁸⁸

The audience as citizens, not consumers: Firstly, development journalism recognises that people are not *consumers* of media products. They are, first and foremost, *citizens*, whose voices must be heard. They are the subject of development, hence Amartya Sen's emphasis on 'social development' rather than just 'economic growth'.⁸⁹ Citizens thus become the subjects of mediation and are active in constructing their social worlds and finding solutions to problems within those worlds. This might have implications for the SABC, compelling it to invite more participation from the people. That might mean more telephone lines opened up for citizen participation; more cameras made available for outside broadcasting; more reporters assigned to attend to people's issues and problems; greater use of ordinary people in news stories; and less use of 'experts' or politicians.

The principle of public listening: Secondly, development journalism must cultivate the art of public listening. Listening to citizens is transformative, because it is humbling. It will almost invariably result in a deeper connection with the people. It will compel the journalist to change reporting techniques. The journalist might welcome alternative news sources, focus groups and consensus conferences. The journalist might step out of the world of

⁸⁷ Austin, L. 2002. *Public journalism in the newsroom: putting the ideas into play*. [0]. Available: http://www.imdp.org/artman/publish/printer_87.shtml. Accessed on 2006/10/17.

⁸⁸ Gunaratne, S. 1996. Old wine in a new bottle: public journalism movement in the United States and the erstwhile NWICO debate. Paper presented at the International Division of the IAMCR Conference, Sidney, Australia.

⁸⁹ Sen, A. 1999. *Development as freedom*. New York: Anchor Books.

official communications and enter into personal relationships with the people. Ultimately, listening helps the journalist to make the important connections between the complexity of 'macroeconomics' and the simplicity of 'microeconomics'. People are interested in, for example, how the technical language of the Accelerated and Shared Growth Initiative for South Africa policy will translate into genuine 'shared' economic growth.

The principle of democratic deliberation: Thirdly, development journalism must promote a deliberative citizenry. This entails promoting dialogue among the people, and between the people and their government. The journalist must facilitate this conversation. People have a good understanding of issues that directly affect them. Theirs are perspectives grounded in lived experiences and emotions. This process will involve sustained coverage of the people - documenting their problems, and their solutions, as they converse in their communities. This would go beyond covering 'development' pseudo-events, such as the signing of agreements between South Africa and China, and look at the 'ethnographic' aspects of those events, such as how the people assess Chinese aid in relation to their livelihoods.

Citizen-framing of development: Fourthly, development journalism must accentuate citizen-based framing of development. People's 'frames' of development differ from the journalistic-institutional perspective. This ethnographic issue-framing 'democratises' journalism. This does not mean that journalists must cease to be fair and even-handed; it means that they must learn that only citizens can name and frame their problems effectively. Even illiterate folk know what they want; they can better express their problems, and potential solutions. The development journalist must thus admit being part of the political power structure and declare solidarity with citizens, because s/he is also a citizen. Debates about 'blacklists' in the SABC will take on a more sophisticated nuance, which recognises that there might be an even more poignant, society-wide 'silencing' of the voices of the poor and marginalised, rather than just a few elite commentators.

Engaged and engaging journalism: Finally, development journalism must be engaged and engaging. It must actively seek to engage citizens in developmental problem-solving. Alan Chalkley, the man who coined the term 'development journalism', argues that it must not only give the facts of economic life and interpret them, but also promote them and bring them home to the readers. It must get the readers to realise how serious the development problem is, to think about the problem, to open their eyes to the possible solutions.⁹⁰ Engaging citizens reinvigorates the idea of journalism as emancipatory. Liberatory journalism requires not only provision of socially relevant information but also journalistic activism in challenging and changing oppressive structures.⁹¹

⁹⁰ Gunaratne, S. 1996. Old wine in a new bottle: public journalism movement in the United States and the erstwhile NWICO debate. Paper presented at the International Division of the IAMCR Conference, Sidney, Australia.

⁹¹ Shah, H. 1996. Modernization, marginalization, and emancipation: toward a normative model of journalism and national development. *Communication Theory* 6(2): 143-166.

19.5. CONCLUSION

I have discussed the conceptual basis of development journalism, and attempted to cleanse it from its 'demonised' past by highlighting the fact that development journalism goes beyond 'modernisation' and 'dependency-dissociation' paradigms of development communication and embraces elements of participatory communication.

The SABC's public mandate is clearly philosophically synergistic with development journalism. To this end, I have suggested that the SABC can commit to five key public-journalism/development journalism principles, namely (i) treating audiences as citizens; (ii) cultivating the art of public listening; (iii) promoting a deliberative/dialogical culture among citizens; (iv) supporting citizens' framing of the development agenda; and (v) cultivating an engaged and engaging development journalism. A development journalism editorial framework must acknowledge journalism as a contextually constructed practice. Within the context of the 'developmental' state, South Africa needs a corresponding ideology of journalism which uplifts marginalised and poor communities in the development process.

PART EIGHT

The RDP of the Soul

20

THE RDP OF THE SOUL: BUILDING A CHARTER OF POSITIVE VALUES

DR CHARLES VILLA-VICENCIO

20.1. INTRODUCTION

To talk of a soul is to talk of an epicentre, an essence, a seat of passion, a heart, a fire and a drive that constitutes the very being of something or someone. The nature of the South African soul is too complex to reduce to a single essence or source. It is a soul of striving and strife, impacted by brutality, oppression, resistance, dominance, liberation, greed, globalisation - *and a hankering to be different.*

20.2. SOCIAL COHESION

We long for a social glue to hold us together as a nation and provide a unified sense of moral direction. Amid the many contending concepts that compete to win prime legitimacy for this purpose is something evocatively called the "RDP of the Soul". A metaphor first coined by former President Nelson Mandela to affirm the need for a set of ethical values in a rapidly changing democratic South Africa, it has been invoked again recently by President Mbeki and other ANC leaders, and is now the title of one of the ANC policy discussion documents.

The invocation is an attempt to remind us of who we ought to be - when it seems that the nation, and some among the ANC's most faithful supporters, are in danger of undermining the quest for sustainable moral and political direction. The Reconstruction and Development Programme (RDP) was the vision of a new South Africa that served essentially as a manifesto of the Mass Democratic Movement. Arduously hammered out after 1990, it helped steer us to the fragile national consensus that carried us through the first election and the first years of democracy. In his inaugural address to a joint sitting of Parliament on 24 May 1994, former President Mandela observed:

My Government's commitment to create a people-centred society of liberty binds us to the pursuit of the goals of freedom from want, freedom from hunger, freedom from deprivation, freedom from ignorance, freedom from suppression and freedom from fear. These freedoms are fundamental to the guarantee of human dignity. They will therefore constitute part of the centrepiece of what this Government will seek to achieve, the focal point on which our attention will be continuously focused. The things we have said constitute the true meaning, the justification and the purpose of the Reconstruction and Development Programme, without which it would lose all legitimacy.

The tangible commitments imbedded in the first democratic government were bold and decisive. Mandela's later call for an RDP of the soul then used 'reconstruction and development' metaphorically to evoke a principled and deliberate collective spiritual commitment by the nation in a changing post-1994 context. It called for the prosperous to abandon their laagers and the many fragmented groupings to abandon their precious defining resentments. It called for a reconstruction of social relationships and a development of humane practice by each towards all.

20.3. THE BIRTH OF GEAR

By the late 1990s the consensual expectations of the RDP were beginning to curdle and the politics of division and resentment were beginning to intensify. Out of the maelstrom of debt and economic challenges in the mid-1990s came the more conventional economic programme of Growth, Employment and Redistribution (GEAR), now supplemented by the Accelerated and Shared Growth Initiative of South Africa (AGISA). The nation continues to be torn between the seduction of free market capitalism on the one hand and the appeal of social democracy - or democratic socialism - on the other. But the notion of the RDP, if not in substance then in spirit, continues to evoke a sense of participatory policy and conscience when we become forgetful of the vision that gave the nation birth.

President Mbeki, in a recent address to the UN Global Forum against Corruption in April 2007, resorted to the language of Thomas Hobbes to speak of the brutish "war of everyone against everyone" as characterising the extent of the corruption and moral decay now facing us. Speaking at the National Anti-Corruption Summit in Cape Town several years earlier, he lamented the failure of the nation to uphold ethical standards in its daily existence. Success, he argued, is measured these days in terms of luxury cars, expensive houses and the finest garments available on the market, without regard to how these commodities are acquired. Public resources are stolen, old age pensioners are robbed, and tourists and workers are mugged. Women and children are raped in pursuit of instant gratification and to inflict pain. People are viciously murdered for no rational or obvious reason.

20.4. THE ETHICAL IMPERATIVE

What is to be done? Certainly there is a need for adequate policing - laws need to be tightened up and uncompromisingly implemented. Political leaders quote the Bible and Qu'ran at the nation - more than half of the content of the chapter on the RDP of the Soul in the ANC discussion document is about religion and the failure of the Christian churches to provide the nation with the social cohesion and ethical direction that is so urgently needed. The chapter captures the new-found sense of urgency that the ANC and government are beginning to show in relation to the soul of the nation - not least in response to broad-based public outcry against poverty and unchecked crime. This is good news in light of the

indifference shown by some politicians regarding these concerns. But the discussion document fails to grasp the real problem in this regard.

The ethical values, including those embedded in the underlying philosophy of the RDP, cannot be imposed or preached into effect. Of course ethics and moral values need to be taught. They need, however, to be grounded, legitimated and, above all, owned by the people who are asked to appropriate, defend and promote them. In particular, our leaders - those who urge them upon us - must demonstrate them in their own daily lives. Moderation, integrity, respect and self-sacrifice are simply not evident in the lives of all public representatives at different levels of government.

It is important to point out the extent to which the demands and aspirations of the ANC as found in the Freedom Charter and elsewhere, have been modified and in some instances abandoned. It is equally important to recognise the need to grapple with what the Minister of Finance, Trevor Manuel, in delivering the 2007 Dullah Omar Memorial lecture on Human Rights Day, called "continuity and change" within ANC and government structures. We need the creation of a viable political ethic that addresses the issues we face as a nation today. It is imperative that the newly rich and petit bourgeois as well as the old elite all learn to focus on uplifting those still trapped in poverty. This is what the "RDP of the soul" is all about: sustained effort both for individual integrity and political practice. It is about applying to contemporary and emerging economic, social and political challenges in both continuity and change, those essential values hammered out in the first half of the 1990s as expressed in the RDP. We need to ensure that the outcome is to the benefit especially of those who need the protection and support of the state to take their rightful place in an increasingly competitive economy that bears the marks of Hobbes' "war of everyone against everyone". The only way to counter this level of aggression and to ensure a society committed to compassion and mutual caring is to promote open and critical debate.

20.5. CONCLUSION: THE CHARTER OF POSITIVE VALUES

We have the political tools to do the job. The question is whether we have the political will to put them to work. We take pride in our Constitution as being among the most progressive and ethically celebrated in the world. We have gone further than perhaps any other nation in drafting, under the office of the Deputy President, a *Charter of Positive Values* that is to be debated in forums across the country. The Charter addresses eight interrelated guiding ethical principles: human dignity and equality; freedom, the rule of law and democracy; material well-being and economic justice; family and community values; loyalty, honesty and integrity; harmony in culture, belief and conscience; respect and concern for people; justice, fairness and peaceful coexistence. The Charter deserves to be debated at the ANC policy conference, and its policies tested against the ideals that brought this nation to democracy in 1994.

President Mbeki has on several occasions, and again in the 2006 Nelson Mandela Lecture, asked us to ponder WB Yeats' poetic prophecy that "the centre cannot hold". The soul of the ANC and the nation is under scrutiny and debate in a manner not seen since the dawn of our democracy in 1994. In years to come we may well look back at 2007 as a decisive moment in the history of liberation politics and the South African nation. The next generation and those that follow will have every right to ask us what went wrong if we fail to grasp the nettle before us. It is time to act.

21

UBUNTU AS THE RDP OF THE SOUL

DR MATHOLE MOTSHEKGA

21.1. INTRODUCTION

Nelson Mandela called for the RDP of the Soul to address the moral degeneration that has led to the worship of money and possessions. Like his predecessors, he envisaged a new South Africa based on Ubuntu principles and values. Section 7 on the RDP of the soul neglected to provide a strategic policy framework for the realisation of Ubuntu society. It merely laments the negative impact of western imperialism on our society.

As early as 1892, John Dube, founding President of the ANC, envisaged a New Africa that would be spiritual, humane, caring and prosperous. These values were echoed by Pixley Isaka Ka Seme, the convener of the founding conference of the ANC in 1912. Seme was the first to use the phrase "I am an African" and to call for the African Renaissance. More specifically, Seme called for a unique civilisation for Africa and Africans while Mahabane, President of the ANC in the 1920's, saw the recovery of African humanity (Ubuntu) as the starting point in the struggle to build a new civilisation. Last, but not least, Albert Luthuli, like Seme, envisaged a unique civilisation that would not necessarily be black but African. This policy document does not provide a strategic policy framework for the realisation of the Ubuntu society envisaged by the founders of our democracy.

21.2. THE ROLE OF RELIGION

This paragraph in the Document fails to distinguish spirituality and religion from the outset. Long before the Roman Imperial Authorities perverted Christianity and took it to Europe, African people in North East Africa (Khem) espoused a Solar spirituality, which was founded by the African Sage Khem or Thoth-Hermes. This spiritual science likened God to a great light or spirit and the essence of every individual as a divine spark that emanated from this spirit or light and returns to it upon death. Thus, in Africa, the soul and its immortality were and still are the pillars of spirituality.

When the Roman Empire came into being, African spirituality had already spread to the Graeco-Roman world and sun temples existed as far South as Meroe in the Sudan, the heartland of ancient Ethiopia. When Southern Africa was colonised, Sun Temples existed at Great Zimbabwe, Maphungubwe, Motokolwe at Lwandali in the Zoutpansberg, and so on. Some of these temples were destroyed, while others were converted into Christian churches

or mosques. The regal culture that stretched from Egypt to Southern Africa was based on the teachings of Khem, which are contained, *inter alia*, in the Book of Horus. It is, therefore, incorrect to say that when colonial forces arrived in Africa they found no priests, temples, scriptures, religious institutions or schools of theology. In fact, the Jews, Greeks and Romans adopted Ethiopian Gods and theology from the Egyptians. The Roman emperor, Constantine the Great, assisted by Bishop Athanasius of Alexandria, perverted Gnostic Christianity, which was taught in the Coptic churches of Egypt and Ethiopia and forcibly spread it throughout the world. Constantine even removed an obelisk, as the French, British and Americans did later, to Rome to transfer the centre of spirituality from Africa to Italy. Africans have always been spiritual and had their own spiritual institutions and rituals.

Missionaries converted Africans to Western institutions, which were established after the council of Nicene, which perverted African spirituality and outlawed the gnostic gospels, which were only rediscovered in 1945 at Nag Hammadi, upper Egypt. The Dead Sea scrolls rediscovered at Qumram in 1947, revealed that the teachings of Jesus, like those of the Coptic churches of Egypt and Ethiopia, were based on Hermetic gnosis, which originated in ancient Ethiopia before the founding of dynastic Egypt. The African clergy, therefore, converted to perverted religions that undermined the essentials of Hermetic spirituality, which were taught by Jesus and his followers. The document is silent on the African prophet and Sage, Khem or Hermes, who preceded all the spiritual leaders that it mentions. This failure of Africans to know themselves before they know others, reinforces notions that Africa is a land of childhood, with neither history nor philosophy of life.

The document under review loses sight of the role that was played by the Ethiopian church movement in the resistance against colonialism, suppression of African culture and traditions and, above all, in the subsequent formation of the ANC and the evolution of its moral vision. The mainstream churches supported the colonial forces for several hundred years. They were then rewarded, for instance, by clause 9 of Act No 23 of 1911, which provided that there shall be no equality in state or church. At the height of the liberation struggle, individuals from various denominations worked together in the Anti-apartheid Movement. But, in some denominations, racial discrimination still prevails. The National Religious Leaders Forum (NRLF) mentioned in the document, for instance, does not include practitioners of African religion. Almost all the imported religions do not regard African religion as a true faith. It is still regarded as superstition or, at best, ancestor worship. These attitudes are obstacles to the recovery of African humanity and realisation of Ubuntu society.

21.2.1. Relapse

Though individuals participated in the struggle, their denominations were never really transformed. They continue to reject, for instance, African religion and seek to convert Africans to their religions. Some of them exploit the poverty, diseases and underdevelopment of African people to grow their denominations. Amongst themselves, they reject one

another's doctrines and this makes it impossible for a unifying spiritual tradition to emerge. They are also unable to participate meaningfully in social transformation programmes as they consider this a mixing of religion and politics. Thus, one cannot talk about a relapse as was done in the discussion document. It is simply a question of insensitivity to changing times and contemporary challenges.

However, it cannot be said, especially in Africa, that many people have left religion and are no longer religious. African people have not left Western institutions for Agnosticism. They have reverted to African spirituality and have been forming independent churches from the late nineteenth century. They have always distinguished between spiritual African and statutory Western churches. It would, therefore, be incorrect to define the former as right wing fundamentalist churches.

21.2.2. African Spiritual

The fundamentalist and Pentecostalist movements and the abuses accompanying them are imports. There are foreign forces, which have identified African spirituality as a means to win the hearts and minds of Africans for political and military agendas. Sadly, the discussion document merely laments the export of fundamentalism to South Africa without suggesting any measures to combat it. The Liberal interpretation of the freedom of religion to accommodate fundamentalist movements, which could threaten the security of the state, is something that we shall live to regret. No rights are unlimited; the state has the right to regulate religious institutions to curb fundamentalism.

21.2.3. Progressive Prophets

The document leaves the realization of the ANC moral vision to chance. The founders of South African democracy developed a moral vision based on Ubuntu/Botho world-view, principles and values. Leaders like Pixley Isaka ka Seme and Chief Albert Luthuli went as far as calling for a new and unique civilisation as the bedrock of the African Renaissance. A focused African Renaissance programme led by a dedicated government agency with the full participation of civil society could counter the influence of fundamentalism and perverted religions.

21.3. ANALYSIS: THE ANSWERS

The obstacles to the realisation of an Ubuntu society could be removed by a development state, which controls the land and its natural resources. Such a state would be able to satisfy both the spiritual and material needs of citizens. Piece meal and *ad hoc* interventions are not adequate for the task.

21.3.1. A New African Identity

Africans are so inclusive that they end up excluding themselves. There is abundant archeo-astronomical evidence on the continent that recorded African civilisation relating to the origins of the universe, humanity and the spread of this civilisation to the West and East through Egypt. This evidence shows that humanity originated in Punt or in the area of the great lakes and that from here Africans settled in Khem in North East Africa.

Instead of rewriting their own history in the light of this new evidence, Africans opt for the paleontological time lines, which seek to obscure the true African past, identity and personality in order to perpetuate Western notions that Africans are a sub human race. The suggestion that humanity has started to amalgamate, using the analogy of Europe, since its dispersal, from its common cradle land is wishful thinking. From its inception, the ANC worked for the creation of an inclusive society. However, the response of minority groups leaves much to be desired. Instead, they are withdrawing into secluded settlements and focusing only on the economic benefits flowing from the new order. This is the greatest challenge to nation building and social cohesion. The document does not address this pertinent issue, which is most likely informed by racial attitudes.

Indigenous African knowledge systems, which could combat racism, are being rediscovered. These systems are not Western, American or European, but African. However, South Africans refrain from calling them African indigenous knowledge systems but they happily and unreservedly talk about Indian or Chinese indigenous knowledge systems. This attitude is the product of self-hate, which derived from the African apartheid colonial past. Indigenous African knowledge systems are building blocks for a new African civilisation envisaged by Seme and Luthuli.

21.3.2. Spirituality and Development

African people distinguish between the spiritual and the secular world but regard the two as opposite sides of the same coin. The concept of the RDP of the soul expounded under this heading confuses the secular and the spiritual world. The authors have superimposed Western experiences on South Africa and thus come to an untenable conclusion that our society has reached a post-religious age. In South Africa, people are disillusioned with Western religions or their interpretations. Thus, there is a growing enculturation in the Western churches and secession from them and formation of more spiritual African churches. African religions are based on the Ubuntu World-View and principles, which link the spiritual and material needs of individuals and society. Ubuntu principles of compassion, co-operation and commitment translate into co-operative economic policies.

21.3.3. The Way to Transformation

There is no doubt that the majority of South Africans are spiritual people who desire peace and development. The country must now translate the moral vision of its founders into a social and economic vision, which benefit the citizens, not the market that is controlled by foreigners in the name of globalisation. It has not been possible for the ANC to infuse its moral vision into its social and economic programmes because it failed to mainstream this vision and take it into institutions of learning and memorializing the founders of our democracy as national heroes whose lives and teachings should become part of the Curricula. Instead, South Africa has brought all imported religions into the school system even at the expense of African religion, which embodies the Ubuntu world-view and principles. Again, here we find naked self-hate at work.

The rediscovery of African heritage sites such as Maphungubwe and others in Mpumalanga, the philosophy of Barozwi of Maphungubwe, the Chokwe of Zambia and Dogon of Mali, have revealed that indigenous Africans have a much more complex spiritual cosmology and calendars that were used to regulate their rites of passage and spiritual festivals. These rites and festivals were keys to the cultivation of Ubuntu principles and Values. This spiritual tradition was suppressed and subverted by colonialism and Apartheid. Before researching and reviving these spiritual traditions, which is more relevant today than ever, the authors of the document suggest additional foreign holidays without any mention of African religion. It is premature to consider the introduction of new holidays and mechanisms like open vote and pastoral committees. African religion has not received any meaningful attention and the playing field between it and colonial religions has not been levelled. For instance, South African tertiary institutions conduct research into, publish on and teach colonial religions at State expense, while African religion receives no support.

The moral regeneration movement has not succeeded because it has failed to foreground Ubuntu principles and values. The principles of holism (i.e. communalism) and humanism embodied in the Ubuntu world-view must be the bedrock of moral, social and economic regeneration of South Africa. The state should invest in the research, publication and teaching of the Ubuntu world-view and its application to moral, social and economic development.

PART NINE

Peace and Stability

22

ARRESTING ENTROPY; ENABLING NEW SYNTHESIS

DR KWANDI KONDLO

22.1. INTRODUCTION

The paper presents a short summary of review issues raised in the ANC policy discussion document on Peace and Security. It proceeds to present a critique of some of the issues. The argument the paper advances is that there is a need to re-examine the entire approach to issues of Peace and Stability in South Africa, especially if the intention is to generate a policy position, which is not only edifying, but far more rigorous. The current position of the ANC on this issue is mediocre and needs to be developed. This chapter seeks to make a contribution in this regard, and its polemical excesses are intended to push the boundaries of enquiry in search of a ground-breaking solution.

22.2. PEACE AND STABILITY POLICY DOCUMENT - KEY ISSUES

The policy document indicates in its introduction, that the focus is only on matters where “shifts” in policy are required and secondly, on areas where policy requires to be formulated. In a majority of cases, the introduction indicates, that there will be a need “to amend our law to address the changes that will be necessary as a result of our review of the current situation”.⁹² In other words, the policy position on “Peace and Stability” is presented only for the review of certain aspects, without fundamentally altering original premises. The document identifies the following issues:

- A shift towards a single police service headed by the National Police Commissioner who will control and manage the police service, at all three levels of government in our country, as stated in the Constitution (section 205 (i));
- Defining the way in which local government can be empowered to work with the people as crime fighters;
- Defining the relationship between local government and the police in the fight against crime; and
- Implementing Community Safety Forums as recommended by the Stellenbosch conference of the ANC, alongside Community Policy Forums.

⁹² ANC Policy Documents: Peace and Stability, March 2007, p.1

22.3. A CRITIQUE

This section provides a critique of the ANC's Policy Conference Discussion document and offers some suggestions on the way forward on peace and security in South Africa.

22.3.1. Enabling New Synthesis

Policy discourses on 'Peace and Stability', 'Safety and Security', in this country usually have the unfortunate tendency to degenerate into unrestrained populist rhetoric or get dictated to by instrumentalism, i.e. an ethos that generally devalues intellectual engagement with issues in order to define appropriate interventions and goals, and values instead, actions which serve as instruments for wider practical political purposes. The ANC policy document on 'Peace and Stability' displays exactly this level of shallowness. The approach has not brought home any successes, hence the need to arrest entropy and shift towards a new paradigm and synthesis, in this very significant area of policy formulation. In a nutshell, the weaknesses of the policy positions as indicated above can be summarized in two statements:

- They disclose the tendency to see 'legislation' as a panacea for all ills. This is a general problem in South Africa's policy landscape. As a result, the country suffers 'regulation fatigue' due to the large numbers of legislation enacted through Parliament, hence endless and numerous court battles. This underscores the tendency to create an elephant gun to kill a fly. This is a waste of enormous effort where it is not needed. There is perhaps no need to legislate in every little space of life but enable, instead, room for self-regulation without legislative proscription;
- The tendency to invoke new structures as a solution to problems is also common in government. This stems, partially from the fact that in most instances policy thinking and formulation is not strategy informed. Strategy informs not only the structure, but policy, and similarly, policy conditions' strategic orientation. Without an understanding of this symbiotic relationship in organic public policy formulation, we are likely to make policy choices that advance a plethora of structures as solution, when in fact there is no need. I will dwell on this issue elaborately in the section that follows, but at this stage, I want to examine the constitutional basis of the policy recommendation on a single police force.

I propose that a paradigm shift and new synthesis in this area is needed, informed by and revolving around strategic intergovernmental co-operation to achieve leaps of success, without legislating, for this takes a long time to draw up. A new paradigm should entail a holistic and nuanced understanding of the meaning of 'Peace and Stability' in a globalizing world and should emphasize, in policy proposals, the reconstruction of local solidarities and support systems as means of reducing crime. This is about the struggle to reconstitute

communities and community networks in a manner that promotes self-reliance and integrity. It is about creating a conducive environment, starting at the level of the family, for the evolution and nurturing of a new mode of subjectivation. The internalisation of an ethical mode in which dishonour by the community is itself as sufficient a punishment as prison. A new paradigm would call for the progressive eradication of prison as the ultimate and most generalized form of punishment. Prison has failed humanity, failed our justice system and continues, instead, to manufacture a category of individuals - doomed by the infamy with which they are stamped for life - who degenerate into domestic enemies of our society. Prison often only serves to harden attitudes, which it is supposedly designed to transform - hence the rates of recidivism in our national crime statistics. Instead, probation policies, which promote rehabilitation of offenders outside prison or in non-prison institutions, should be promoted; they are much less expensive than keeping prisoners in prisons. Added to this, such institutions have less of a stigma than is carried by the prison system. Offenders may even be 'enslaved', depending on the nature of offence, for the benefit of society, in non-prison institutions, which are simultaneous rehabilitative in design and content.

In fact, as far back as 1767, prominent jurists in the European penal system criticized the prison and indicated that from its very conceptualisation as part of penal theory, it was never intended to be a permanent feature of the justice system. However, with the advance of capitalism, it assumed permanence because the capitalist system required a container for the evils it generates. It needed to create jobs for the army of psychiatrists, psychologists, and the police produced by its mechanism. In the end, it needed to maintain the reproduction of its relations of power, knowledge and labour. The material disparities and deprivations resulting from both the mechanisms and effects of today's advanced capitalism are necessarily transposable to crime, criminals and prison. Hence our understanding of 'Peace and Security' - the true meaning they should have in the fulfilment of democratic ideals, needs to be severely sharpened.

22.3.2. A Single Police Force - Constitutional Basis of the Policy Position

Section 205 (1) of the Constitution of the Republic of South Africa makes the following provision, which is used as a basis for a policy position to establish a single police force: "the national police service must be structured to function in the national, provincial, and, where appropriate, local spheres of government".⁹³ I want to argue that a juridical (not political) understanding of this provision should be the basis upon which to construct the correct meaning. The particular provision is not instructive regarding the manner in which the national police service should be structured in order to function at the local spheres of government. It does not prescribe that the same structure, which obtains at national and provincial levels, be replicated at local level, but instead gives cognisance to discretionary renditions of relevance. A clear analysis has to be done to determine the scope of operation

⁹³ Constitution of the Republic of South Africa, 1996, p. 115

of a particular statutory provision before policy positions are taken; broad generalizations will not suffice. Imperatives other than those stated in the Constitution (eg. Centralisation of control) should be clearly outlined to justify the need for a policy position such as this. There is nothing unconstitutional with the manner in which the police service is structured, nationally, provincially and locally.

In chapter 7 of the Constitution, section 152, subsection (1) (d), one of the objects of Local government is "to promote a safe and healthy environment"⁹⁴. This cannot be interpreted as necessarily excluding policing services by municipalities, as currently occurs at local government level. In terms of the Municipal Systems Act, 2000, municipalities are required to prepare Integrated Development Plans for areas under their jurisdiction, covering a period of five years. Crime and safety is one of the issues identified by a combination of stakeholders as a priority area (see City of Tshwane IDP). Implicitly the policy proposes that this issue be dealt with by a structure which falls outside the governance framework of municipalities. This will create problems for the integration of policy and priorities between the municipalities and the South African Police Service. It should also be noted that local government is a sphere of government with its original, constitutionally-enshrined powers and functions; it is not a third level of government crudely subordinate to provincial and national government. Its interrelations with the provincial and national spheres of government are based on the principle of one overall system of co-operative governance as stipulated in the Intergovernmental Relations Framework Act.

A policy which seeks to prescribe the absorption of the municipal police into the SAPS, is likely to temper with the mandate of local government for crime prevention which is clearly set out in the White Paper on Safety and Security, which requires municipalities to ensure "that crime prevention includes planning in all municipal departments and activities, develop and initiate targeted social crime prevention programs and co-ordinate crime prevention activities". In addition, the National Crime Prevention Strategy (NCPS) describes the role of local government as "to refine the NCPS and implement local crime prevention programmes that are in line with local priorities and capacities".⁹⁵ Besides this, there is not conclusive empirical evidence to indicate that the municipal police departments (recently established as compared to the SAPS) have failed in discharging their crime prevention responsibilities in a manner that justifies their control and management by SAPS.

22.3.3. On Community Safety Forums

The proposals on Community Safety Forums (CSF) are good and implementable. But the very practical concern is: how do we expect communities that are already impoverished due to hunger, malnutrition, disease and material want, to perform this grandiose task? What also

⁹⁴ Ibid, p.81

⁹⁵ E van Huyssteen and M Oranje: 'Planning for Crime Prevention: The case of the city of Tshwane', Safer Africa, 2003, p.4.

remains unclear is whether the listed activities by the CSFs cannot be performed through the existing CSFs. If the latter are an experiment that was never properly handled from the outset, should they be disbanded or left as they are, to die a slow death? What are the unintended consequences that are likely to arise from the co-existence of two community policing/safety forums? These questions do not seem to have been carefully thought through in the policy document.

Defining relations between local government, the people and police does not seem to be an issue that requires policy attention. The Intergovernmental Relations Framework Act (13 of 2005) provides a very clear basis for the formation of partnerships. It provides instruments for provincial, municipal and national government co-operation. What the policy recommendation seeks to see defined, has already been defined and enunciated.

22.4. CONCLUSION

My conclusion is that the entire approach of the ANC to Peace and Stability needs to be revisited. Perhaps it needs to commission a study in this area so that its leaders can see how much of what they think they know, they actually don't know. 'Peace and Stability' is a wide subject and its permutations should not be taken lightly. As demonstrated in the discussions above, there are really no solid grounds for some of the policy review initiatives to be tabled at the ANC policy conference at end of June 2007.

23

COMMUNITY POLICE FORUMS

Anthony Albeker

23.1. INTRODUCTION

Government confronts an enormous range of policy challenges. These run the spectrum from Aids to Zimbabwe, with each seemingly more intractable than the last. Little wonder, then, that the ANC - as the governing party - is discussing making changes to policy in an effort to find less difficult paths from the present to the 'better life for all' it has promised the electorate. If the discussion document on Peace and Stability - ANC-speak for crime and policing - is anything to go by, however, the debates the party is having will have no real impact on delivery. The essential problem seems to be that, with the relatively minor exception of issues arising from turf battles over control of municipal police services, party thinking appears to have stagnated sometime in the mid-1990s.

If the document is the only basis for discussions at the policy conference, then only three issues seem to be on the table: the aforementioned turf battles, the need for 'mass action' against crime and in favour of moral regeneration, and the restructuring and mandate-expansion of community police forums. Reflections on these contributions are constrained by space and, more importantly, by the real difficulty of understanding the thinking of the drafters of the document who seem to have thrown the kitchen sink at the issue rather than tackling it systematically. Suffice it to say, however, that the most substantive issues raised relate to community police forums (CPFs), and it is with these that this contribution deals.

23.2. POLICY PROPOSALS ON COMMUNITY POLICE FORUMS

In the discussion document, the ANC takes the view that CPFs, as currently constituted, are a failure, stating that 'only a handful are truly functional and, in the main, those are structures that were established and work in the more affluent areas of the country'. Precisely what is meant by the term 'truly functional' in this context, or how it was established that only a handful of rich CPFs have achieved this happy state, is uncertain, since confusion has characterised the role of CPFs from the very beginning. What is certain, it seems, is that the reason for these problems lies with the 'serious blunder' that was made when the police were given the responsibility for establishing and funding these structures even though their primary role is to oversee policing. It can be argued that the 'serious blunder' had nothing to do with who set up the CPFs, as much as it had to do with an over-

optimistic and deeply romantic idea regarding the effect that CPFs would have on the quality of policing and the level of crime. The extent to which CPFs have not lived up to this promise, may have less to do with their structure than with the exaggerated promises that were made at their inception.

This, however, is plainly not the view taken in the document, which argues instead that, in order to rescue the situation, 'two things ... must be done' to create structures that can monitor and evaluate not just policing, but the whole criminal justice system. A closer look at the document shows that mid-way into the drafting process, some rethinking took place because only one proposal is actually made: to expand CPFs into Community Safety Forums (CSFs) by in-spanning Justice, Correctional Services and Home Affairs into the structures' oversight orbit. It is possible that the 'two issues' is merely a slip of the finger. However, given the way the Minister for Safety and Security has discussed this issue in recent months, and the fact that a question posed in a summary box alludes to the funding of CSFs, I suspect that the second issue was about paying allowances to community members on the CSF executive. Whether this was ever in the document, it is certainly part of ANC discourse on transforming CPFs. It is also, for reasons I will come to in a moment, a seriously bad idea.

A number of issues arise from the way the discussion document conceives the expansion of the mandate of CPFs to oversee the entire criminal justice system, the most obvious of which is that it is incredibly unlikely that expanding an oversight mandate as dramatically as this, will increase the quality of oversight. Much more likely, it will dilute the effect. If I were a local Station Commissioner whose community was unhappy about delivery, nothing would make me happier than distracting discussion about my performance by making the same committee look at three other (poorly performing) departments. A more philosophical problem, but one with practical effects, is whether subjecting the work of the courts or 'rehabilitation programmes' to direct community oversight is desirable or, on the contrary, is potentially quite sinister.

A significant issue that has been raised by the Minister for Safety and Security, but which appears in the discussion document only obliquely, is the idea that community leaders - 'the most capable people ... would be elected in terms of the democratic practices of our people' - ought to be paid for their services. As I suggested earlier, it seems that this may have been removed from the discussion document, but it certainly remains part of the policy atmosphere. There are any number of reasons why this is a bad idea. One is that, if implemented, it will almost certainly become a vehicle for the dispensing of patronage. A second is that it will raise the stakes of elections for executive positions in CSFs, something that will make CSFs much more prone to conflict than they are currently. A third is that, over time, the potential for actually undertaking oversight through CSFs, such as it is, will diminish as paid officials inevitably become drawn into the establishment.

The one redeeming feature of the idea is that it will reward those who devote thankless hours to community-police liaison work. The tragedy is that many of the people doing this now on a purely voluntary basis have no organisational base, and will be out-voted when the

'democratic practices of our people' bring sizeable numbers of voters to the next annual meeting of the CSF.

23.3. CONCLUSION

The idea that the reason the criminal justice system is unable to deliver higher levels of safety and security to South Africa's communities, is that it is insufficiently accountable at local level, is both simplistic and romantic. It is simplistic because it is premised on the understanding that a better criminal justice system alone can reduce crime. It is romantic because it assumes that more community engagement is the recipe for better policing.

If this were really true, the ANC would have a serious debate about decentralising policing and putting it under the authority of local politicians. The reality is that the party knows that this is unworkable. It is unclear why the party continues to say that it believes that greater levels of community engagement can achieve something it knows that even elected local government officials cannot. For this reason, instead of debating a tinkering with the role of community police forums, the ANC should be having a fundamental debate about the purpose of the criminal justice system. In this, there are two broad answers. The first, which has dominated policy thinking for 15 years, is that criminal justice is a vehicle for preventing crime, and is the font from which community policing policy has flowed. The second which has gained almost no traction in the policy community, argues that a criminal justice system is for locking up people who commit serious crimes.

The debate the ANC should be having, therefore, should focus on removing criminals from the communities in which violent crimes are taking place, especially in light of the fact that South Africa is one of the most violent countries in the world. To this end, time, energy, and resources should be allocated to delivering a step change in the performance of our detectives and courts, while also building new prison space to accommodate the flow of convicts, coupled with the participation of the broader public towards achieving these ends. This kind of policy may have less relevance to the life of a grassroots activist than one which focuses on liaison and accountability at a local level, but it stands a far better chance of delivering peace and stability.

PART TEN

Revolutionary Morality: The ANC and Business

24

GETTING TO GRIPS WITH REVOLUTIONARY MORALITY IN THE CONTEXT OF A CAPITALIST ECONOMY

JUDITH FEBRUARY

24.1. INTRODUCTION

The discussion document on “*Revolutionary Morality: The ANC and business*” is an attempt to reflect the struggle which the governing party has with capital and what, precisely that means for the ‘nature of democracy that the ANC pursues’. As the discussion document states, it is the type of democracy which ‘leans towards the poor. It recognises the central and leading role of the working class in the project of social transformation’.⁹⁶ It goes on to state that the ANC ‘sees the poor as the main motive force in the National Democratic Revolution and....the main intended beneficiaries of national liberation’.⁹⁷ This, in effect, means that the way in which the ANC as government engages with business needs to benefit the poor majority as far as possible. Added to this, it also means that office-bearers and members of the ANC who engage in business, need to do so ethically.

The reality 13 years on is very different and the debate on the ‘ANC and business’ is indeed multi-faceted, as the discussion document seeks to point out. It does so, in a way which is rather hodge podge, however, trying as it does to cover a panoply of inter-related but very different issues, ranging from Black Economic Empowerment (BEE) and its unintended effects, ethics in government, the ‘erosion of moral values of the ANC’, within the party, the role of ANC members in the economy (specifically, too, as far as their personal business interests are concerned) and, importantly, the issue of the ‘political culture’ of the ANC. So, this section is a rather unstructured, mixed bag of issues and concerns; the broad themes being, ‘moral erosion’ and the ‘accumulation of wealth’. A general discussion on the values of crass accumulation and materialism which appear to have pervaded South African society as a whole and the role which the ANC as the majority party has to play in either fuelling such *crass accumulation* or attempting in some way to provide a voice which rails against such behaviour in society, is generally absent.

24.2. FIRST GLANCE

A central thrust of ‘*revolutionary morality*’ is the complex challenge of the ANC’s transformation agenda in the context of a capitalist economy. Despite its attempts as the

⁹⁶ Revolutionary Morality: the ANC and business; Section 6, page 3

⁹⁷ op cit section 6, page 1

ruling party to ensure greater access to the economy by black people, the results have been mixed. The reasons for this are complex. The way in which BEE policy has played itself out has not always been to the benefit of those who need it most. As Jeremy Cronin and the South African Communist Party (SACP) have said elsewhere, the systemic features of the South African economy are 'perpetuating the crisis of racialised under-development',⁹⁸ which clearly BEE alone cannot solve. In addition, the relationship between the ANC and business in South Africa has always been fraught, and since 1994 the tussle between business and government has intensified over issues of transformation within key sectors of the economy, such as the mining industry. Since 1994, there has been an increase in black participation and ownership within the economy, but the levels still remain insufficient. The section possibly spends too much time restating the premise that those who hold political office in the ANC have 'an equal right ... to participate in economic activity.'⁹⁹ The area of contestation is of course not so much whether members have the right to engage in economic activity but rather the *manner* in which such engagement happens, which should be scrutinised more carefully.

It is in this context that the ANC actively encourages participation in the economy by its members. Of course this has not been without controversy. The section attempts to tackle the complex balancing act which must be maintained between access to wealth and power and the need for ethical conduct while in elected office (where access to the resources of state can lead to corrupt activities and practice) and keeping the poor at the centre of all policy-making. When there is a failure to maintain such a balance, the nature and character of the ANC is tarnished, which, as the chapter points out, could have the effect of 'jeopardising (the party's) historical mission'. The salient question of course, differently put, is 'To whom is the party accountable?'¹⁰⁰ The section does not ask the question specifically but 'How does the ANC in government balance accountability to other important stakeholders like business, while at the same time not compromising its black working class and rural and urban poor roots? There are several facets to the chapter and the section on access to the economy by the majority and specifically those within the ANC, must be read in the historical context of the transformation of the economy *in toto*. One cannot read this section without focusing on the chapter which deals with, 'Economic Transformation for a national democratic society.'

24.3. DEFINING ETHICS

The section proceeds to focus largely on ethics and the way in which ANC members can use the opportunities within a post-apartheid South African economy in a way which does not compromise the party's moral traditions. This brings one squarely into the realm of a few of

⁹⁸ Jeremy Cronin, 'BEE-illionaires and wanna-BEEs in *Mail and Guardian* 15-21 October 2004

⁹⁹ *op cit*, page 6

¹⁰⁰ *op cit*.

the thorniest ethical issues of post-apartheid South Africa, namely, conflicts of interest, financial disclosure, post-employment restrictions and political donations.

On matters of corruption generally, the chapter concludes, rightly, that the ANC in government has done much to ensure that there is a sound anti-corruption framework in place. From codes of conduct for Members of Parliament and the executive and senior managers in the Public Service, to ratifying the African Union Convention on the Prevention and Combating of corruption, the ANC in government has done well to create a sophisticated set of regulations and codes guiding the behaviour of elected representatives. However, as the document points out, much remains to be done in terms of enforcement and creating and fostering a culture of accountability. Indeed, it points out that public institutions are not enough to instill such values and the ANC itself needs to be at the forefront of providing principles for interaction in the economic sphere in a way which does not jeopardise its fabric.

Of course this is correct, but where the document says that there seems to be a 'genuine lack of understanding of the core values of the movement' by some new cadres, it does prove a sad reflection on the party in that it has been unable in some instances to deal pro-actively with corruption allegations within its ranks. The most graphic example here must be the 'Travelgate' saga within Parliament. Currently there are certain ANC members who have been found guilty by a court of law of fraud as a direct result of abusing their travel vouchers, yet they remain in Parliament. Law-makers who have become law-breakers, yet the ANC, on whose shoulders discipline falls, has been unable to deal with the matter decisively. This is but one example, others include the failure of certain individuals to declare their financial interests timeously, or at all. One can think of the ANC chair himself, Mosiua Lekota, although to Lekota's credit, unlike Tony Yengeni, he admitted his neglect early on and took the pragmatic (and preferable route) of admitting fault.

As the section points out, as far back as 2000, the ANC was talking about the 'new cadre', namely those who understand fully the ethical standards required by ANC members. Kgalema Motlanthe, at the 2005 NGC meeting, said that the 'cancer of corruption' was eating up the party. Strong words - but often met with contradictory actions on issues such as 'oil-gate', 'travelgate', the Jacob Zuma matter, and an ethical ambivalence on Tony Yengeni's imprisonment. The section does not state these examples specifically but a concern with corruption is generally set out.

24.4. THREE SALIENT ETHICAL DILEMMAS

Post-employment restrictions: In the past year particularly, there has been an increase in the number of public officials who have moved, apparently seamlessly, from government to business. The ANC has been discussing some form of post-employment restriction for a while now and it appears to be gaining ground since the 2005 NGC. The choices are many and the devil will, of course be in the detail of any legislative or other proposals. The discussion on

post-employment restriction is intrinsically linked to the ANC's view (correctly) that members have a 'right to earn a living in a profession and occupation of their choice, including business.' The section goes on to state that those who choose to work for the state should not be disadvantaged by being unable to thereafter take up positions in the private sector. This is so. However, the mischief which any such regulation will seek to prevent is conflict of interest which put individuals' interests above that of the public. Various examples spring to mind of situations in which even the *perception* of a conflict of interest can be damaging. Former Environmental Affairs and Tourism minister, Valli Moosa, has formed an investment house, Lereko, focusing on the tourism, mining and financial services sectors.

The document is vague on detail though one could imagine ways of implementing such rules which balance the individual's right to earn a living and at the same time protects the public interest. Post-employment restrictions are, in fact, designed to ensure that former public office holders derive no unfair advantage for themselves or others from: the confidential information to which they have had access while holding public office; their former association with government; and using their current positions to secure future personal advantage. Of course there are several options which one could follow when adopting post-employment restrictions which fit South Africa's socio-economic context. This would allow perhaps for a 'cooling off' period as the ANC document suggests. Again the devil is in the detail - to whom would these restrictions apply? For how long? The detail has not found its way into the discussion documents, regrettably. What sort of 'guidelines' are appropriate for party members and government?

The type of employment that might be cause for concern is one that has a close or sensitive link to the person's former position. It is possible to identify four basic areas in post-separation employment that are of concern and warrant consideration:¹⁰¹

- Public office holders who modify their conduct to improve their post-employment prospects. Such conduct can involve favouring private interests over official duty or outright bribery, where a member or official solicits post employment in return for corrupt performance;
- Former members and officials who improperly use confidential government information acquired during their employment, for personal benefit or to benefit another person or organisation. This does not include the information that becomes part of an individual's personal skills and knowledge, which can be used legitimately to gain other employment;
- Former members and officials who seek to influence government employees. This involves former members and officials putting pressure on former colleagues or subordinates to act partially by seeking to influence their actions or securing

¹⁰¹ Transparency International: *Conflict of Interest, Nepotism and Cronyism*.

favours. This can occur in many ways, such as through informal contact and lobbying;

- Re-employment or re-engagement of retired or redundant public officials. This might involve senior members and officials receiving generous redundancy compensation pay-outs and re-entering the public service in non-executive positions, while keeping their full redundancy payments. It may also involve members and officials leaving public employment only to be re-engaged as consultants or contractors at higher rates of pay to perform essentially the same functions, as well as members and officials who decide to go into business and bid for work from their former employer after arranging their own redundancies.

Given the intricacies of the situations that can arise, the enactment of all-encompassing laws in the area of conflict of interest can be a severe measure. Consequently many countries have chosen to approach the more detailed aspects of the problem in a diffused, management-led fashion. In this approach laws are enacted that deal with the upper levels of government and with basic principles, while the design of appropriate policies are delegated to agencies and departments, each of which is expected to develop policies suitable to its own situations and needs.¹⁰² In the implementation of such policies a central institution, such as the Office of Government Ethics in the United States, is understood to perform a supportive and complementary function.

24.5. THE PUBLIC-INTEREST PRINCIPLE

Considering the various approaches to combating conflicts of interests and specifically the notion of post-employment restrictions, it is worth exploring the notion of the “public-interest principle”.¹⁰³ The essence of this principle is to reconcile two opposing values: the need to avoid suspicion of impropriety over how public officers conduct their affairs and exercise their freedom to look for employment without restrictions. On the one hand, it is in the public interest that a high standard of conduct by individuals holding public office is maintained; they should avoid conduct that generates an appearance of impropriety, though the actions themselves might not be improper. On the other hand, it is also in the public interest to see as much interchange of talents and information as possible between the public and private sectors because the benefits of such exchanges to the economy and country could be substantial. In this regard it is critical to distinguish between information that is confidential and information that might be used legitimately in post-employment activities. When public office holders leave government, they take with them two types of information: general understanding and knowledge of the way the government operates, its

¹⁰² Transparency International: Conflict of Interest, Nepotism and Cronyism.

¹⁰³ E. Wong: Restrictions on Activities of Former Heads of Government and Former Senior Members of Government .2002.

structures and personalities; and specific confidential information about government policy or about entities regulated by the government.

Post-employment restrictions are applied using different approaches in different parts of the world. Countries typically design such restrictions to suit their economic and socio-political circumstances. For South Africa this would mean giving careful consideration to the imperatives of democratic transformation and economic development. It is valuable, therefore, to provide a comparative study of the manner in which other countries have managed the post-separation process to draw appropriate and relevant lessons from their experiences.

24.6. RECOMMENDATIONS

There is no doubt that South Africa should introduce post-employment restrictions for all senior officials of State. However, to the extent that the decision-making authority on issues such as the selection of service providers is, for whatever reason, delegated to middle and lower management structures, such restrictions should extend to these levels of the administration. To protect legislators most at risk and foster public confidence in representative government, post-employment restrictions for selected office bearers, specifically chairpersons of committees in the national, provincial and local parliamentary forums, should be introduced. Despite the assertion that post-employment restrictions should not extend to ordinary members, it might be prudent to consider amending the current parliamentary codes to include a reference to potential conflicts of interest that might arise out of future employment.

24.6.1. Scope and Duration of Restrictions

The object of post-employment restrictions is not to deny those in government or other public offices the right to earn a living once they have left state service, but rather to promote the principle of integrity in government by preventing unethical conduct before it occurs.¹⁰⁴ Accordingly, it is critical that the scope and duration of post-employment restrictions are balanced enough to protect those in government and promote the integrity of the administration, but not to impose unreasonable limitations on their right to use their skills and experience after they leave office. Given these requirements, any type of restrictions on the activities of former officials and members of government should be designed with the public-interest principle in mind. As outlined in section one of this report, the essence of this principle is to reconcile the need to avoid suspicion of impropriety over how members of government conduct their affairs with the need to allow, if not encourage,

¹⁰⁴ M Davies: Ethics in Government and the Issue of Conflicts of Interest in Fostering Transparency and Preventing Corruption in Jamaica. 2002.

the interchange of talents and information between the public and private sectors because the benefits of such exchanges to the economy and country could be substantial. The nature of this balance is particularly significant in the South African context, given that an integral part of transformation involves the promotion of public confidence in state institutions, but the extent of underdevelopment and the absence of skills and capacity in most sectors of the economy, means that any regulation affecting the transfer of skills from one sector to another must be carefully formulated.

Given these considerations it is argued that only certain types of post-employment activities be restricted, namely those that could be seen as generating the greatest potential for conflicts of interest in the light of future financial benefits or those involving the improper use of sensitive information or associations. It is argued also that these restrictions should apply only for a limited duration. First, an official or member of government should only be prohibited from employment with organisations and entities operating in a field of activity directly related to the sphere in which they operated while in office. This approach, however, if unqualified, would essentially prevent the transfer of skills of a general type from one sector to another. Accordingly, an option would be to limit an official or member of government from employment with organisations and entities that had an interest in a particular matter for which they had *official responsibility* or were *substantively involved* while in public office.

The scope of official responsibility is usually determined by statute, regulation, executive order or job description. Substantive involvement can be understood as any action that is of direct significance to the matter. This would mean that a senior official or member of government would necessarily have a wider range of restrictions because they would have had greater authority and involvement and, therefore, greater opportunity to influence decisions improperly in favour of one group or another. This, however, would prevent these people from acquiring employment in their respective fields immediately after vacating office, because virtually all organisations and entities have an interest in the affairs of state. As a result, it is necessary to limit the scope of these post-employment restrictions only to those organisations and entities that had a *direct or substantial interest* in a particular matter before the State. A direct or substantial interest would include state contracts and any other financial or trade agreements between the state and a private, semi-private or foreign agent. To further balance public interest and not impose unnecessary prohibitions on officials and members of government once they leave office, it might be prudent to consider, in the case of state contracts, the financial value of such agreements in relation to the scope and duration of restrictions. Where an organisation that has multiple agreements with the state, the net value of such agreements would be considered.

Second, it is important to note that many decisions by officials or members of government are relevant only in a particular context or for a limited period. As a result, limiting the post-employment opportunities of an official or member of government on the basis of all matters for which they had responsibility or in which they were substantively involved at some stage during their tenure of office, would severely inhibit their

opportunities as well as unduly influence the transfer of skills. Therefore, with the *nature of the involvement* on the part of a relevant person and the *degree of interest* on the part of an organisation or entity, the *immediacy* of a particular matter needs to be taken into account when determining the scope of post-employment restrictions. In terms of this qualification a basic approach would be to prohibit an official or member of government from employment with an organisation or entity that had a significant interest in a particular matter in which the relevant person was substantively involved, if that matter occurred within a specific period prior to the person's termination of service.

To better balance the public interest, it might be necessary to qualify such a period in relation to the risks associated with a particular transaction. If, for example, a sizeable contract was awarded to a company, the official or member of government involved in the transaction would be, on the basis of the value of the contract and the level of the person's involvement, prohibited from obtaining employment with the company if the transaction occurred within 24 months prior to that person leaving public office. Conversely, if a relatively minor contract (yet still large enough to warrant a restriction) was awarded to a company, the official or member of government involved in the transaction would be prohibited from employment with that company only if that transaction took place less than 12 months prior to that person's termination of service. In terms of the duration of restrictions designed to reduce conflicts of interest, a similar qualification would apply; that is, the restricted period would be determined by risks associated with a particular transaction or agreement.

Apart from the need to restrict the post-employment activities of officials and members of government to reduce the possibility of them altering their conduct while in office to secure future financial benefits, it is also necessary to limit the degree of advantage an organisation or entity would derive, especially in terms of its dealings with the State, through employing a former public officer. The rationale for this is essentially that a former official or member of government could use associations or specific information (that is information not available to the public) acquired by virtue of his/her previous position with the state to influence government decision-making through, for instance, putting pressure on former associates to act in a partial or improper fashion. A basic approach to counter-acting the *improper use of associations* or connections in government would be to prohibit former officials and members of government from *communicating with the intent to influence* the actions or decisions of previous associates. Of course the risks associated with such interactions vary, depending on the nature of work that former officials or members participated in while in office.

24.6.2. Political Donations

The ANC asserts its rights as a party 'to fundraise from its members and the general public without funders seeking or being allowed to exercise undue influence in the ANC or in

society.' It does not, however provide any real solution or proposal on how exactly the ANC will do this. And this is a crucial gap. The ANC secretary-general is on record as saying that some form of regulation on the issue of party political donations is necessary. The document therefore misses a chance to provide home-grown solutions to the vexed question of political fund-raising. Such a solution needs to, naturally, protect all political parties' ability to raise funds in an environment of maximum transparency and accountability. The issue is dealt with in an almost cursory way. Given the recent scandals involving money and politics - for instance allegations that murdered mining magnate, Brett Kebble, made substantial donations to the ANC - the party will need to have a substantial discussion about party political fund-raising if it is to grasp the nettle of ethics, business and politics. The issues relating to party funding are common across the globe, yet no common approach to its regulation has been developed. A customised approach is necessary to account for the unique conditions that exist in each country.

24.6.3. Exploring Policy Options for South Africa

An important way of combating undue influence on political parties - and thus the corrupting power of money on decision-makers - is to institute a regulatory regime which limits and monitors campaign funding.¹⁰⁵

International experience shows that there are immense difficulties in installing an effective system of party funding that will not be open to abuse. Even developed democracies that embrace regulation, struggle to ensure abuses do not occur. Many jurisdictions have experienced malpractice in the process of public procurement in the form of kickbacks in exchange for private party funding, as well as a plethora of other improper, irregular and in many instances, corrupt practices involving state-owned enterprises, privatisation and the leverage afforded by appointments and control rights at all levels of government.

However, international experience also shows that the regulation of party funding can be effective if well-designed, backed by effective sanctions and accompanied by a parallel diffusion of appropriate ethics and norms. Ultimately it is committed politicians and citizens who have the ability to assert the principles that should govern party financing and who are in the best position to push for legislation and regulations. These rules would need oversight, enforcement and monitoring. Therefore, a system regulating private funding of political parties is necessary. However, there is no single prescription for success, as party financing rules have to operate in an environment of respect for institutions and laws that vary across different contexts. It is worth remembering that, "regulations and subsidies aimed at reforming the use of political money may have varying objectives. A system that aims to

¹⁰⁵ Shugarman, "Combating Corruption," p.2.

control corruption in the funding of parties and election campaigns, is likely to be different from a system that seeks mainly to promote fairness".¹⁰⁶

Karen Fogg points out that the problems of regulating political finance cannot be tackled adequately without a broader consideration of other structural issues affecting the role of political parties. Fogg lists such considerations as follows.¹⁰⁷

- *Political commitment*: parties must go beyond a willingness to legislate and include also a willingness to make the legislation work by setting up independent and properly resourced enforcement mechanisms;
- *Democratic internal party management*: high standards of transparency and accountability need to be applicable to decision making, appointments, fundraising and financial management within parties;
- *Continuing public pressure*: both media and civil society need to maintain pressure on political parties to reform, rather than be tempted to dismiss parties as incorrigible;
- *High degree of political competition*: a responsive and open political system nurtures a high degree of political competition, which in turn becomes a necessity for clean politics. Yet genuine competition is one of the hardest features for new democracies to gain. In such situations, calls for regulation on party finance or transparency need to be set within a more general movement in favour of the rule of law and systems of regulation which protect against abuse and inefficiency;
- *Broader context for competition and governance*: political parties cannot be isolated from the political systems in which they operate. Any reform must take into account conditions for continued competition and governance;
- *Public funding*: there is scope for developing more efficient frameworks and conditions for public funding which are conducive to strengthening parties.

South Africa's challenge is to find a regulatory framework that is appropriate to its contextual particularities and suits all political parties and role players but which above all would promote constitutional rights, the public interest and entrench ethics in public life.

24.7. A POLICY OPTION FOR SOUTH AFRICA

The lists below offer three basic policy models or options. The first outlines a highly regulated system, the second a "laissez faire" system and the third a "middle way", which

¹⁰⁶ Pinto-Duschinsky, "Financing Politics," p. 70.

¹⁰⁷ Fogg, "Paying for Parties - Choices for Democrats". Lecture delivered at Centre for Democratic Institutions, 12 August 2003, p. 11 - 12

incorporates features of the first two systems and is recommended as a policy option for South Africa.

A. Highly regulated system.

- No private funding (foreign and/or local) allowed. The intention is to reduce and outlaw dependence on private sources;
- Public funding is limited in scope (parties or candidates) depending on the electoral system. In the case of South Africa, the PR-party list system would favour party funding;
- An independent funding agency;
- Full audit of expenses by parties (electoral and/or operational costs) demanded, with allocations paid out only after receipt of full audit, i.e. parties are refunded. This is to prevent abuses;
- Parties with no current legislative representation or who fail to show significant support (audited membership, etc) are excluded.

B. Laissez faire system

- Funding of political parties is entirely unregulated;
- No limits on type (private/public or local/foreign) or amount of funding;
- No limit/regulations on what the money can be spent on - funding can be used for election and operational costs as well as candidates and parties;
- No proper auditing system, it is left to parties to regulate themselves;
- No or non-independent funding agencies - all allocations are paid out up-front to parties;
- No thresholds on who qualifies for funding (e.g. registered party, candidates, pay deposits etc) - any party that registers for elections, qualifies for funding;
- No questions of conflict of interest or possible corruption, given the sources of private funding.

C. Middle-way system

This policy option attempts to take into account forces at play regarding money and politics. It can be seen as a middle ground between the highly regulated system and the laissez faire system. The features of this system include the following.

- Public funding which is restricted to parties taking into account the PR electoral system;
- Funding extended to factions if deflections occur;
- Funding for electoral and/or operational costs, which depends on resource availability and priorities;
- The creative and extensive use of indirect public funding opportunities;
- Allocations must be open and transparent to avoid charges of favouritism or corruption through a system of extensive public disclosure, including expenditure;
- A proper distribution formula in place for allocations (e.g. time-scales, initial amount and balance on receipt of proper audit of expenses);
- Principles of proportionality and equity taken into account with allocations (e.g. taking into account last election count, membership fees, private donations) and a weighting formula to advantage smaller parties;
- Maintaining a ratio between public and private support and reducing parties' reliance on private sources to a tolerable level;
- Taking into account the cost burden on the state.
- Private funding
- Both foreign and local funding should be allowed, but there should be limitations on the sources and type of funding (possibilities include in-kind contributions and shares as a means to source funds). Foreign funding should be limited to governments or parliamentary groups, registered expatriate voters and endowment funds. It should benefit all parties and the principle of proportionality and equity should be achieved. Funders should be identified at all times, as well as the type/amount of funding. Funding of operational costs of parties by local private donors should be outlawed but certain donors should be excluded, e.g. anonymous (above certain fairly low levels) and those that infringe the Constitution.

This option recognises the importance of private funding as well as the dangers related to it. On this basis it puts in place mechanisms to regulate private funding to ensure heightened accountability; ethical mechanisms are in place to regulate private funding. These mechanisms include disclosure of donors, exclusion of anonymous donors as well as outlawing local private funding for operational costs. Where these mechanisms are effectively implemented, the credibility of the government is in little danger.

South Africa is certainly not unique in grappling with the issue of party funding; global experience is that party funding often degenerates into scandal with business attempting to capture political space and influence, and political parties being negligent in allowing their

independence and integrity to be compromised by corporate 'donations'. The ANC is well-placed as the majority party to play a leading role in the debate.

The section of the discussion documents concludes by focusing on ethical guidelines and also the suggestion of forming a Central Control and Auditing Commission (CCAC) similar to the Communist Party of the Russian Federation. The CCAC monitors the fulfilment of the party programmes, the party's financial activities, the fulfilment of party congress decisions and considers the applications of members who disagree with decisions of local party branches. Quite a degree of authority would be vested in the CCAC if it became a reality. It therefore raises many questions regarding the lines of accountability within the ANC and how this body would relate to the NEC and the party in general. The idea does not seem to be wholly bad, if it increases accountability and ensures levels of internal party democracy, it could be a welcome move. The Russian model, as the section itself points out, cannot be adopted in its entirety, but should be the start of a discussion within the party on accountability and ethics. However, the people who make up any proposed CCAC will also need to be elected from the party's ranks.

24.8. CONCLUSION

Entrenching a culture of accountability and ethical behaviour cannot be within the remit of only the rules, as the ANC has come to learn. Rather, some aspects of entrenching such a culture must be organic. That the ANC needs to retrieve some of its seeping moral authority in the areas of ethics is however, clear. For that to happen, any discussion on ethics needs to be focused, structured and honest about the challenges facing the party. This section of the discussion document is the start of an important debate, which hopefully will find resonance and more importantly, lead to decisive action on the most complex moral and ethical dilemmas which face the party in a modern democracy.

PART ELEVEN

Role of the Working Class and Organised Labour in Advancing the National Democratic Revolution

25

ORGANISATIONAL STRATEGIES FOR ADVANCING THE NATIONAL DEMOCRATIC REVOLUTION¹⁰⁸

PROF ADAM HABIB

25.1. INTRODUCTION

One of the more important thematic issues to be considered at the ANC policy conference is the role of the working class in the national democratic struggle. The policy paper with this title does not focus on this issue. Rather, it provides an exceptionally long description of the policy debates on the labour market, which while interesting, do not really speak to the role of the working class. After all, such a conversation would involve not a policy, but a political analysis. And it would entail, in particular, an attempt to understand the systemic conditions under which the national democratic struggle can be advanced. To investigate the role of the working class in this struggle means trying to understand the strategic options confronting its organized expressions. In the South African context, it involves a reflection on the tripartite alliance, its successes and failures and an assessment of whether it is the most appropriate organizational vehicle for advancing a human-oriented development agenda.

25.2. IN SEARCH FOR A STRATEGIC PERSPECTIVE

What, then, are the strategic options that confront the organised expressions of the working class? Three scenarios are on the table. First, its union element, COSATU, could act merely as a trade union. In this sense, it would behave in a politically neutral fashion, like the other union federations, FEDUSA and NACTU. There is some support for this both within the union federation and in the ANC leadership (See Schreiner, 1994, and Vavi, 2005). But it is not feasible. The COSATU leadership recognises that to behave in a politically neutral fashion would leave the federation merely reactive. As Crosby Moni, Deputy President of the National Union of Mineworkers, argues:

That is a dangerous proposition. Governments come and go. What if one day, a right wing government banned political activity. Yes ... this would appear to make sense to ... people who have not been banned in the 1980s We had no political voice in the country, and never again shall we allow that situation to come around. Our stance is that never again

¹⁰⁸ This paper is largely drawn from a chapter published with Imraan Valodia entitled "Reconstructing a Social Movement in an Era of Globalisation: A Case Study of COSATU", in Richard Ballard, Adam Habib, and Imraan Valodia (eds) *Globalisation, Marginalisation and Contemporary Social Movements in South Africa*, 2006, Pietermaritzburg: University of Natal Press.

shall we find ourselves in the same situation as we have been from 1960 to 1990.... It was thirty years of hell. Those who have never experienced it would easily come with suggestions that we must be apolitical. (Interview, Crosby Moni, 20.05.04)

This view is widely held among the COSATU leadership (Vavi 2005). It recognises that the policy choices of state elites have had and will continue to have a dramatic impact on the federation's membership. As a result, it will not adopt a strategic path that will leave COSATU without any control over its own destiny.

The second strategic path is one of an alliance between the organised expressions of the working class and the ANC. Its advocates essentially argue that the ANC should not be handed over to conservative or bourgeois interests. A struggle needs to be had for the soul of the ANC. Crosby Moni, again, sums this view best:

The African National Congress is like an omnibus; it has all the tentacles inside it. When a pro-worker tendency is weak inside the African National Congress, you will see it drifting away from the workers.... When workers have the upper hand, the ANC and unions will come closer. ... Our starting point ... in the elections was let us do everything in our power and give the ANC an overwhelming victory. They have it now. We have our claim to that because we were part ... of telling our people to vote ANC. What we are looking ... for now is an ANC that is friendly to workers, and which approaches worker issues with a bias (Interview, Crosby Moni, 20.05.04).

Advocates of this view also suggest that it is in the long-term interests of workers for their organisations to remain in the alliance because this enables them to influence policy. Neil Coleman of COSATU, for instance, suggests that government's moderate shift to the left, manifested in its retreat on privatisation, and its current focus on employment, is something that COSATU can justifiably claim credit for. He thus echoes a widely held view in the leadership when he maintains that an abandonment of the alliance would marginalise the interests of workers in the policy process (Interview, Neil Coleman, 08.03.04).

There is significant support for this strategy within COSATU. Three surveys of COSATU shopstewards conducted over the last decade by the Sociology of Work program at the University of Witwatersrand, demonstrate categorically that a majority of them support the alliance and its continuation. Table 1, which summarises the results of the surveys, demonstrates that support for the alliance has decreased over the last decade from 82% in 1994 to 66% in 2004 (See also Buhlungu 2005; Pillay 2005). Nevertheless, almost two-thirds of COSATU's membership still favour the alliance. This, then, lends credence to the COSATU leadership's view that the alliance can only be abandoned at great cost to the unity of the federation itself.

Table 1: COSATU members' attitude towards the alliance

	1994 (%)	1998 (%)	2004 (%)
Support Alliance	82%	70%	66%
SACP alone	2%	4%	4%
ANC alone	n/a	n/a	n/a
New workers' party	n/a	4%	6%

Non-aligned	15%	14%	18%
Another party/ies	n/a	1%	2%
Do not know	n/a	4%	5%

Note: N/A means this question was not asked in that survey

(Source: Pillay 2005)

There are, of course, weaknesses associated with this strategic path. Left-leaning critics would argue that as a result of this strategy over the last few years, labour has experienced a net loss in benefits and influence. In particular, they would point to UNDP statistical data that suggest that unemployment has increased to 41.8% of the workforce (UNDP 2003), and poverty to between 45% and 55% of the population (Department of Social Welfare 2002; Everatt 2003). Of course, advocates would contest this, pointing to the raft of legislation, and more recent policy changes, that have benefited workers (PCAS 2003). But the more serious criticism that these advocates would need to respond to is that which suggests these outcomes were systemically predictable and likely to continue so long as a viable opposition party is not reintroduced into the political system.

This, then, takes us to the third and final strategic option confronting the organisations of the working class, namely abandoning the alliance and charting a political path independent of the ANC (McKinley 2001; Habib and Taylor 2001). Such a decision would of course fundamentally alter the political system in South Africa and plunge these institutions into uncharted territory. Advocates of this strategy suggest that this is necessary for it would reintroduce a viable opposition party, and thereby create the missing element of *substantive uncertainty* into the political system. This, it is maintained, is necessary for political elites to take the interests of workers and ordinary citizens more seriously (Habib 2004). Critics of this view argue to the contrary, that there are great dangers if the labour movement were to go down this path, including fracture, which could threaten order and stability.

Jeremy Cronin, Deputy General Secretary of the SACP, puts it most evocatively in two separate interviews: the first being the now notorious one with Irish academic Helena Sheehan for which he was rapped over the knuckles by the ANC leadership, and the second with Adam Habib and Imraan Valodia very soon after the ANC received its overwhelming electoral mandate in the 2004 elections. In the former interview, Cronin explicitly states, 'what people don't realise is that breaking the alliance means splitting all three organisations. You are talking of 2 million COSATU members, more than 80 percent of which are ANC members' (quoted in Southall 2003, p.65). For this reason it is imperative to remain within the alliance, not only to ensure that the ANC is not handed over to the neo-liberals, but also because it is increasingly becoming possible to win political victories as the shine of the Washington consensus policies begin to fade. This optimism carries through to the more recent interview, where once again Cronin highlights the political possibilities that arise as a result of the contemporary crisis of the global economy. He concludes: 'the strategic priority of the day in South Africa is to have a significant political majority capable of spearheading

fundamental transformation' (Interview, Jeremy Cronin, 20.04.04), which he maintains has the greatest likelihood of being realised through the ANC.

In any case, for now, both COSATU and the SACP seem to have made their decision in this regard. In the last national elections in 2004, these organisations threw their political weight behind the ANC. And the results were phenomenal. The ANC garnered approximately 70% of the electoral votes. But the ANC government has also reciprocated. The budgets of the last two years have announced significant increases in social expenditure, including infrastructural investment, public work programs and social welfare, and policy planks closer to what COSATU and the SACP had been advocating for a number of years. But how sustainable these new policies are is anyone's guess. COSATU and the SACP themselves have argued in recent months that there are important contradictions in the government's policy agenda, and that it needs to still move substantively to the left and prioritise the interests of workers, the poor and the marginalized.

25.3. WHERE TO IN THE FUTURE?

If this question were to be posed to the leadership of COSATU and the SACP, their answer would be to remain in a re-organised and restructured alliance. This would be an alliance that respects the independence of all three of its constituent parts. Moreover, they would recommend that the alliance meet regularly and its agendas and decisions be implemented by state structures. In this sense, they hope that the alliance becomes the nerve-centre where serious decisions and plans are made, very much like the Presidency operates at present (COSATU, 2006, SACP 2006a, 2006b). It should be noted that this perspective does not see a rigid separation between party and state. Rather it suggests that the party (in this case, the Tripartite Alliance), is the pre-eminent partner and that the state is merely meant to implement decisions and policies negotiated in the former. In fact some scholars such as Edigheji (2005) have predicated successful transformation of South Africa and indeed the African continent on the ability for the ANC-led alliance to remain intact and cohesive. He argues:

If the ANC was to break up, and its alliance with the South African Communist Party (SACP) and the Congress of South African Trade Union (COSATU) was to disintegrate, it would compromise South Africa's transformation efforts. This will in turn have negative consequences for the African continent's development project (Edigheji, 2005: 1).

But what would I recommend? I have on previous occasions argued that the above recommendations are unlikely to have the effect their advocates intend, even if they were realizable. As a result, I have suggested that the establishment of a viable, competitive political system is necessary for generating an elite contestation and a substantive uncertainty, which systemically allows for the interests of poor and marginalized people to be prioritised. This is especially so in the current epoch. For much of the period between the end of World War II and the collapse of the Berlin wall in 1989, this elite contestation

occurred on the international plane between two relatively even matched superpowers. It was precisely because this uncertainty was generated on the international plane that it was possible for even authoritarian regimes like those in South-East Asia to embark on human oriented development trajectories. After all, the resources mobilized for their development trajectories, the export orientation of these economies without their subjection to reciprocal trade flows, and their policy agendas - including radical land reform and appropriations - would not have been possible without the blessing of at least one of the superpowers (Johnson, 1999). The erosion of the bipolar world, and the absence of a robust competition between two relatively equal sets of international elites, however, has circumscribed the potential for human-oriented development outcomes to emerge from authoritarian political systems. This is because the absence of international elite contestation also eroded the leverage of national elite's vis-à-vis their international counterparts (Wade, 1999).

Elite contestation, at least for the foreseeable future, can only be realized at the national level. In this sense Amartya Sen is correct to argue that political freedom (read democracy) is necessary for economic growth and development (Sen, 1999). At present, South Africa has all of the institutional characteristics of a robust democratic political order. Yet its political system cannot be interpreted as being competitive. This is because not only does the ANC overwhelmingly dominate in terms of electoral support, but it has also increased its margin of support in three consecutive national elections. Even more important is the fact that the largest opposition parties are unable to seriously serve as competitors to the ruling party because their support base is largely constructed among minority racial groups. As a result, not only does a viable political system not exist, but it also has no prospects of emerging from the collection of parties that are currently represented in the national legislature.

The only way this competitive political system will be established is if the Tripartite Alliance were to fracture and COSATU and the SACP were to go it on their own. This is of course asks quite a lot from individuals who have fought together throughout the dark years of apartheid. But it is essential if the dispersal of power and substantive uncertainty of political elites is to be realized. COSATU and the SACP, were they to go separate, would compete in the same electoral pool as the ANC. This means that they need not come into power to succeed in shifting the policy agenda to the left. Their mere presence and a respectable showing in the elections would force the ruling party to address the immediate concerns of the working and unemployed poor in order to compensate for the greater electoral competition on its left flank.

Are these organisations likely to do this in the near future? No, clearly the political will to do so does not exist either at the level of the leadership or membership. But it is this difficult question that these movements will have to confront, sooner or later, if they want to advance the national democratic revolution in favour of the working class.

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26

WHEN WILL THE REAL DIALOGUE BEGIN?

JAN THERON

26.1. INTRODUCTION

At the time of writing this piece, the strike by public sector workers is at the end of its first week, with no immediate end in sight. Since 1994, the public sector has accounted for an increasingly large proportion of organized workers. We also know that it comprises an increasingly large proportion of workers in standard (what used to be called 'permanent') jobs. This is in large part a consequence of the externalization of employment, as a result of which ever-fewer people in the formal workplace are in standard jobs, and the informal economy is burgeoning. It is surely not surprising that this process coincides with South Africa's integration into the global economy, and trade liberalization.

It is high time, then, that our political leadership analyse afresh the relationship between the working class and organized labour. There is sufficient recent experience to draw from, to enrich such an analysis. There is the experience of trade liberalization, for example, in sectors such as agriculture, where it was most vigorously applied. There is also the recent experience of the contract cleaning and security services strike. Again, it is surely not coincidental that these services are the product of externalization. Many of those who are now employed by contract cleaning companies, for example, are the same workers, doing the same job as they used to, for employers that initially retrenched them.

What is surprising about the policy discussion document on the "Role of the working class and organized labour in advancing the national democratic revolution", is that it seems empty of experience. The struggle rhetoric only bears an oblique relation to the text, and the term 'working class' hardly features in it. Indeed, the concept of class is invoked only with regard to what is termed 'the broadening black middle class', in the context of an discussion of economic and industrial policy (or rather the latter's absence).

26.2 THE QUESTION OF THE LABOUR MARKET REFORM

The focus of the document is rather on labour market reform. In the heady days post 1994, labour market reform was of course a political priority. In the current conservative political discourse that prevails, 'labour market reform' is generally a code phrase for some form of deregulation. The conclusion it comes to, by way of a fairly convoluted argument, is that legislative change is unnecessary. However it may be necessary to review how labour

legislation is applied in practice. In support of this conclusion, it draws on a variety of sources: the Constitution, the data produced by Statistics SA, the advice of a panel of international and local experts, the findings of various academic commentators, including those who have undertaken research for the Department of Labour. In all this, there is no mention of how changes in the labour market are actually affecting ANC members on the ground. This suggests a party out of touch with its core constituency

The question of labour market reform arises, most obviously, because of the inability of the economy to generate sufficient jobs to impact significantly on the chronically high levels of unemployment. The Document puts it as follows: "So, the simple story is, we are growing the economy at unprecedented levels, similarly creating hundreds of thousands of jobs - but not making much of a difference at the end of the day! Why is this so?" The short answer is that the hundreds of thousands of jobs supposedly being created in some sectors of the economy hardly compensate for job losses in other sectors. Moreover, the sectors in which jobs are being created are not sustainable. The fact that a large proportion of the jobs created are also a product of externalization, as in the case of the contract cleaners mentioned above, does not feature in this analysis.

The Document then digresses into a discussion of proposals for an appropriate industrial policy. To achieve sustainable economic growth it advocates developing South Africa's export capabilities through manufacturing. Implicit in this proposal is an acknowledgement of the failure of the ANC in government to develop such a policy. But one has to read between the lines to see it, because of the obvious reluctance of the ANC as a political party to identify the failings of the ANC in government.

26.3. A STARLING FAILURE IN OVERCOMING INEQUALITY

Indeed but for the title, the tone of the document is one of government musing on its own performance, rather than of a political party vigorously debating the policies it will pursue in government. For a party that has been in power for thirteen years, the tone is also surprisingly tentative, as though it has to tread carefully not to offend powerful constituencies. We know from the Discussion Document, titled "Challenges and opportunities facing workers and unions", that foreign investors represent one of the constituencies to be treated with kid gloves. The unions represent another.

In fact, the document under review seems to have more to say about the challenges facing workers and unions than the former, which notwithstanding its title, seems primarily to be an argument for why the tripartite alliance should be retained. Thus, the document cites the increased incidence of labour broking, and the increased segmentation in the workplace and the labour market as a whole. It also cites signs of stratification in the unions, which seem to represent only those workers who are in standard jobs, while ignoring those who are not.

More controversially, perhaps, it suggests that there are high rates of disillusionment with unions amongst the unemployed, and there is a perception amongst retrenched workers that unions did not do enough to save their jobs. In this context, it raises the question of the social plan, "built-in as one of the key consultative areas workplace forums should have been dealing with". The establishment of workplace forums was one of the innovations of the Labour Relations Act of 1995. Indeed, it could represent a way in which economic restructuring within firms can be addressed. Workplace forums might also facilitate the representation of temporary and other categories of worker that, in fairness to the unions, are inherently difficult to organize. Interestingly, the Document reveals that the number of workplace forums established is "dismal." It is further revealed that there is increased segmentation in the labour market, which has both racial and gender character. But again, drawing on academic commentators, the uncomfortable truth is couched in academic-speak: "white males and females are the closest to reaching their employment target growth rates compared to Africans, particularly female Africans who perform the worst." Africans, in other words, and specifically African women, face the greatest difficulty in finding employment. It does not say that it is also Africans, and particularly African women, that also end up in the most vulnerable and insecure jobs. Yet this is something no observer of the labour market would dispute. It represents a startling failure in overcoming inequality in the labour market.

26.4. CONCLUSION

The failure to make perceptible progress in overcoming inequality, coupled with the insecurity of the 'new' jobs that have supposedly been created, goes some way to explain the anger manifested by the cleaners and security officers during last year's strikes. At the same time, the unions cannot lay the blame entirely at government's door. Criticisms of trade union failures to prevent segmentation within the formal workplace are not unwarranted. The trade unions have also conspicuously failed to address the situation of workers in the informal economy. Real dialogue between the ANC in government and the trade unions will begin once the class roots of their mutual failure are acknowledged.

Perhaps, it is unrealistic to expect the ANC as political party to broker such a dialogue. Overall, the Document suggests this is the case. It lacks coherence and it is derivative. Also, the document lacks political resolve. If the establishment of workplace forums would reduce segmentation in the workplace, for example, then bold political leadership is needed to make this possible. The problems of growing segmentation in the labour market as a whole are profound. To address them, it is necessary to look outside the traditional conception of labour market policy and regulation, to the role of social welfare and enterprise development in ameliorating inequality. It is also necessary to affirm that labour market reform is not the exclusive terrain of the protagonists of deregulation. A reluctance to tamper with the *status quo*, motivated on the basis that "the labour market is a complex terrain", is simply not an option.

PART TWELVE

Challenges and Opportunities facing Workers and Unions: The Role of the ANC

27

LABOUR IN THE ERA OF GLOBALISATION

PROF EDWARD WEBSTER

27.1. INTRODUCTION

The context within which labour organises its interests in South Africa has profoundly changed over the past 25 years. Forged in the struggle against Apartheid, it has both contributed to our new democracy and been shaped by it. Its contributions have been far-reaching and have entrenched worker rights in our constitution, our laws and the new labour market institutions that have emerged since 1994. But these changes have also impacted on the labour movement itself. Many of the key leaders have gone on to high political office and the corporate sector. This is, of course, a contribution to the new South Africa. But it has left behind a mixed legacy where labour continues to struggle to find its niche.

27.2. THE CHALLENGE OF GLOBALISATION

It is appropriate that a Discussion Document on the *Challenges and Opportunities Facing Unions and Workers* begins with globalisation. It is this process that is undermining existing industrial relations and the social fabric of many societies, without providing an adequate new regulatory and protective framework. It is also appropriate that the document recommends “advanced analytical and policy work so that (unions) can foresee events and interact in the realm of policy formation with the state and organised business”. It is this need for new knowledge that led the International Labour Organisation (ILO) in Geneva to initiate in 2004, jointly-designed high level learning programmes between labour-oriented social scientists and trade union organisations. The aim was to assist workers and their organisations to engage more effectively with the rapid social and economic changes that face labour in the era of globalisation. They called this initiative the Global Labour University; the University of the Witwatersrand is the African site of this global network.

The Discussion Document is also correct when it points to the fact that the changing structure of the labour market has weakened trade unions in spite of the extensive and innovative labour market institutions which the African National Congress (ANC) government has put in place over the past thirteen years. Sadly employers - including the government itself - has often bypassed these institutions creating a growing number of insecure, low-paid and vulnerable workers, who now constitute nearly half of the approximately twelve million employed in South Africa. Our President, Thabo Mbeki, recognised this in his State of the Nation address in 2003, when he spoke of “two economies”. He described this division as a “structural fault” where “the one (economy) is modern and relatively well developed. The

other (economy) is characterised by underdevelopment and an entrenched crisis of poverty". This was a significant sign that the government was shifting from its narrow focus on global integration and competitiveness to acknowledge that the state will have to redistribute resources actively in an effort to overcome the social crisis caused by poverty.

27.3. WHAT IS GLOBALISATION?

It is important that we get our prognosis right if we are to make the right policy choices. The Document attributes globalisation to "two powerful and dynamic processes": the first is the new information technology paradigm; the second the "massive mobility" of capital. But the shift of power relations in favour of capital at the expense of labour is not simply driven by technology and the market. It is also the result of a political and ideological neoliberal counter-revolution, away from Keynesianism and the welfare state in the developed world and the developmental state in the second and third world, to a market fundamentalism.

In post-colonial Africa this ideological shift has taken the form of International Monetary Fund (IMF)-initiated structural adjustment programmes. Unions have resisted these policies as they have led to retrenchments, cuts in wages, privatisation and the deterioration of social services. The result has been the erosion of the comfortable alliance between governing parties and the trade union movement that characterised the early years of post-colonial Africa. Labour has demanded greater autonomy and, in some cases, has emerged as the main opposition to authoritarian rule. Globalisation then, is not only economically-driven; it is also a political project. As Stiglitz argues, if globalisation is to be fair and deliver on its promise of prosperity it needs to be governed differently, in particular, there is a need for more participation by stakeholders at international and domestic levels. (Stiglitz, 2003) This was the conclusion reached by the World Commission on the Social Dimension of Globalisation convened by the ILO in 2002, which included prominent leaders from politics, trade unions, business and civil society across the world. South Africa was represented by Zwelinzima Vavi, General Secretary of COSATU. The report was a call for a stronger ethical framework:

"The governance of globalisation must be based on universally shared values and respect for human rights. Globalization has developed in an ethical vacuum, where market success and failure have tended to become the ultimate standard of behaviour, and where the attitude of the 'winner takes all' weakens the fabric of communities and societies." (ILO, 2002)

27.4. NEW OPPORTUNITIES FOR LABOUR

Globalisation is not a "juggernaut" that turns workers into helpless victims who simply have to "adjust", as the Document argues. While it limits certain policy options, such as large-scale tariff protection, it opens up new opportunities for labour to put pressure on capital

and the state to create 'fair globalisation'. The first of these opportunities is the importance of a companies' image among consumers, as the growth of the sweatshop movement in the United States has demonstrated. (Ross, 1997) Secondly, the technological revolution can be used to the advantage of activists - email, websites, databases and many other computer applications are being used around the world to find, store, analyses and transmit information. Cyberspace communication systems provide the opportunity to coordinate global campaigns and integrate organisation across boundaries. Thirdly, the widespread supply and distribution chains inherent in global production introduce new vulnerabilities to enterprises, exposing them to international campaigns and the use of logistical power (Silver, 2003). The complexity of outsourced and networked firms opens up opportunities for disruption and the emergence of global norms of workplace rights and creates opportunities for pressure to be exerted on multinational companies that breach these rights. (Sable, O'Rourke & Fung 2000).

This has led to the revitalisation of labour in certain parts of the world and the use of imaginative confrontational tactics among unions. It has opened up opportunities of new linkages between workers, consumers and the community in redefining the workplace-community connections that were at the heart of the social movement unionism that emerged in South Africa during the apartheid period. Other unions, such as the Public Servants Association (PSA), have re-invented themselves from a whites-only staff association with a cosy relationship with management, into the second largest union in the public sector with a membership of over 200 000 willing to use the strike weapon in defence of their working conditions.

27.5. NEW SOURCES OF POWER

This leaves us with a number of crucial questions: What is labour's strategic lever? What forms of organization are appropriate? There is nothing new in these questions: they go back to the creation of the Fordist assembly-line worker and the original construction of solidarity in the industrial unions that first emerged in the United States in the thirties and, in South Africa, in the eighties. It leads us to the question: what are the conditions that would promote collective solidarity under conditions of globalization and democracy?

I see three organisational opportunities in the era of globalisation. Firstly, in contrast to the Discussion Document, I do not see capital as completely 'footloose'. There are sectors, especially in the service sector, that are not mobile and enable labour to build a base - for example, retail, health care, restaurants, hotels and building services, where security workers and cleaners can be organised. Secondly, solidarity has to be built anew and this means that organizers have to deal with the negative experiences workers have had with unions, including retrenchment, outsourcing and the loss of benefits. Thirdly, union responses cannot be read off from objective conditions; they reveal themselves through praxis and this requires strategic and tactical flexibility.

Labour's power has shifted for peripheral workers in low paid, insecure non-standard employment relationships usually occupied by women, immigrants and other groups discriminated against in society. To understand this shifting basis of power under globalization, Jennifer Chun refers to the emergence of *symbolic power* which is complimentary to traditional collective bargaining, in that it makes appeals to the values of excluded workers - an appeal to the community. (Chun, 2006; Wright, 2001; Silver, 2004)) Symbolic power, Chun suggests, adopts new organizational repertoires that draw on the intersection between exploitation and social discrimination.

This, in essence, is what social movement unionism is; an appeal to workers that goes beyond the employment relationship to the totality of their lives, as consumers, citizens, family members and women. There is a need to rediscover the power of labour in the 21st century. The challenge now is to develop an organisational response that draws on the creativity of our rich labour traditions in the context of a changed industrial relations environment.

27.6. A CAMPAIGN FOR DECENT WORK

While the campaign COSATU has launched for a living wage is crucial, should this campaign not be broadened to include the demand for decent work? Jobs, contrary to the myth of 'jobless growth', are being created in South Africa but most of them are not 'decent jobs'. They include the car guard struggling for a 'tip' in the parking lot or the casual worker in the supermarket who has no security or benefits. Decent work is a broader demand than that of a living wage, fundamental though such a demand is; it is a demand for dignity and security at work, a degree of permanence in a workplace without discrimination, the opportunity for training and a career, social protection, decent hours and an institutional voice.

There are those who argue that a bad job is better than no job. They are quite right; there will always be a trade off between the quantity and quality of jobs. But what is of concern is that, in order to cut costs through outsourcing and subcontracting, employers have turned decent jobs into lower paid insecure jobs without any benefits. While the goal of decent work cannot be achieved in all sectors of our economy in a short period time, it is labour's long-term goal. Some countries have achieved this goal through reaching consensus in a social compact between labour, employers and government. At the April meeting of the Trade Union Presidential Working Group, labour responded to the idea of a social compact by identifying five areas that would need to be addressed:

- an active industrial policy which prioritises the creation of decent work opportunities;
- a comprehensive social package combining affordable and accessible social services;

- the promotion of centralised bargaining , unionisation and decent work while combating casualisation, contract work and income inequalities;
- building the capacity and power of retirement fund trustees to promote socially responsible investment; and
- NEDLAC as the forum where negotiation on such a compact would take place

27.7. CONCLUSION

To meet these concerns, the ANC Discussion Document will need to change from seeing the determinants of economic development as the market and its social carrier, the bourgeoisie, or the development state and its technocratic elite. These approaches to development tend to see workers as either victims or beneficiaries. Workers and their unions should rather be seen as active agents of economic and social transformation. This is the challenge facing the ANC policy conference in June 2007; the need to recognise the centrality of labour in creating an alternative developmental path in South Africa.

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PART THIRTEEN

International Policy: A Just World and a Better Africa is a Possibility

28

INTERNATIONAL POLICY AND THE AFRICAN AND SOUTH AGENDAS

PROF CRHIS LANSBERG

28.1. INTRODUCTION

The African National Congress (ANC) foreign policy discussion paper, “International Policy: A Just World and a Better Africa is a Possibility”, confirms what some of us have argued for some time: that international strategy is based on a pro-African, South-South orientation, seeking a “strategic partnership” with the industrialised North with the goal of consolidating an African and South-South agenda. Indeed, the “African Agenda” and South-South co-operation forms the strategic thrust of the concentric circles of South Africa’s foreign policy. In the words of the foreign policy discussion document: “our international relations...are resting on three main pillars, i.e. Consolidation of the African Agenda, South-South Co-operation and solidarity; and North-South dialogue and partnership”. This is by its very nature an engager, internationalist foreign policy strategy - not an isolationist or confrontational one. It builds alliances with the Third World as well as industrialised states, as it seeks a voice for Africa and the South in the global order, and negotiates fairer deals for these blocs globally. It seeks an overhaul of the western-dominated state system.

In reinforcing this pro-Africa and pro-South-South trajectories, the ANC foreign policy document proclaims that a “Just world and a better Africa is a possibility”, and that “our strategic approach as the ANC is to achieve an international order with greater security, peace, dialogue and greater equilibrium between the poor and the rich countries”. The document reminds South Africans that “our security and prosperity is linked and co-exists with the consolidation of the African Agenda”. This is why we have to be concerned that all eight of “the Millennium Development Goals (MDGs) will not be achieved” by developing nations, and Sub-Saharan Africa in particular, by 2015.

So where does the “African Agenda” fit into the ANC’s international strategy, and what are the challenges that need to be considered in the operationalisation and consolidation of this agenda? What are the omissions in the document which could actually undermine the consolidation of the African Agenda?

28.2. NEW POLICIES: THE “GRAND AFRICAN DEBATE”

Under the theme of “new policies for consideration”, the document calls upon the ANC “to engage in the debate taking place in the continent on the establishment of the United States

of Africa". This so-called "Grand African Debate" is a discussion around what integration trajectory the continent should follow: a Pan-Africanist vision of a United States of Africa (USAf), a Continental-Africanist paradigm of a Union of African States, or an African Union Government.

The USAf notion emphasises moving towards a single continental entity based on an eventual federalist model. It is based on the idea of creating a Supra-national state of states, or nation of nations. Supranationalism suggests the existence of a continental authority that is higher than that of African nation-states and capable of imposing its will on them. Continental federalism will be the order of the day where sovereignty is shared between a central continental authority and peripheral states. An African Union government will be a transitional route to a USAf.

The Continental-Africanist, or Union of African States idea shuns an either/or approach and rejects the idea that states have to choose between a USAf or AU Government approach. They say that Africa should pursue a twin-track approach of consolidation and moving towards an eventual AU Government. The Continentalists place emphasis on norms development, building political and economic governance institutions, and consolidating Regional Economic Communities (RECs) as the building blocks of African integration, the importance of a development paradigm, gradually transcending sovereignty while using it as a basis for political order formation, and "strict adherence" to such a normative framework. But this group is committed to the idea of establishing an AU Government, but regards it as a transitory project. Whereas the USAf relies on supra-nationalism, the Continentalists rely on Inter-governmentalism - interaction between states on the basis of sovereign independence, while recognising the need to go beyond sovereignty in an incrementalist fashion.

When eventually established, an AU Government will play an important role in ensuring that there is "strict adherence" by states to norms and standards, and to negotiate common positions on behalf of the continent. South Africa clearly belongs to the Continental-Africanists. But it is important for the ANC to be aware of a perception in some parts of the continent which suggests that our policy rhetoric on the African Renaissance and Africa is, by definition, progressive, but in practice and reality, is actually conservative and can retard moves towards accelerated integration in the continent. Critics point to high levels of xenophobia in South Africa, and the reluctance to move towards policies such as the free movement of people, to highlight this perceived conservatism.

28.3. THE AU, THE BIGGEST OMISSION

Probably the greatest weakness of the international policy document, especially seen in light of the fact that policy places Africa and the South at the centre of it, is that the document says remarkably little about the African Union, the continent's premier pan-continental body. Apart from scant references to the need to "strengthen continental institutions", "contribute in the rebuilding of the Associate bodies of the Organisation of African Unity

(OAU) now African Union (UA), and the strengthening the Pan-African Parliament (PAP)", there is no engagement of the issue of the AU. Again, this could reinforce a perception that South Africa is more committed to the NEPAD project, even at the expense of the AU.

The AU omission is surprising, given that over the past five years or so, government policy has come to appreciate the need to prioritise the AU, build and consolidate institutions on the basis of common norms and principles, and cajole states into living by commonly defined rules, and to execute this project with the objective of the "...strengthening of the AU and its structures" and "...in line with the Constitutive Act".¹⁰⁹ Indeed, since 1999, South Africa has been a key actor in establishing the AU, and in 2002 became the first African state to chair the AU, the successor to the OAU. The AU makes provision for the establishment of some 18 new organs entrusted with maintaining order in African politics. These key institutions include executive organs, accountability structures, and representative institutions.

It is vital for the ANC to appreciate that it is in fact with South Africa's influence that the AU has moved to place an emphasis on the need to strengthen capacities and actions in conflict prevention, conflict management and resolution, and governance. South Africa wishes, in particular, for institutions like the PAP, ECOSOCC, the African Union Commission, and the African Court of Human and People's Rights to be strengthened and their legal status and competencies should be clarified as a matter of urgency¹¹⁰. Over the next two years or so, South Africa will place emphasis on setting up AU organs and institutions that are not yet in place, such as addressing the question of the merger or not of two courts - the African Court of Human and Peoples Rights and the African Court of Justice, the African Standby Force, the Continental Early Warning System, setting technical and financial institutions¹¹¹. South Africa is of the view that the legal instruments governing AU organs should be reviewed and addressed in order to avoid duplications and overlaps¹¹². A case could be made here for the ANC to actually learn from stated government policy on how to put the AU on the governmental radar screen.

28.4. RECS AS THE BUILDING BLOCKS: THE SADC CASE

The document encourages and supports a move to "integrate...regional economies under programmes such as Regional Economic Integration Communities (RECs), creating alternative trading blocks in Free Trade Agreements, through inter-trade amongst countries...". So the "African agenda" builds on a strong policy in defence of regional integration and

¹⁰⁹ Department of Foreign Affairs, Strategic Plan 2007/08, Parliamentary Portfolio Committee on Foreign Affairs, 28 March 2007, p. 4.

¹¹⁰ These perspectives are contained in confidential communiqués in preparation for the July 2007 AU Summit in Accra, Ghana, Department of Foreign Affairs, May 2007.

¹¹¹ Ibid.

¹¹² Ibid.

development. Like Government, the ANC regards REC's as building blocks and implementing agents of the AU. Over the next five years we are likely to see a policy which promotes actors like ECOWAS, SADC, IGAD, ECASS, the Mahgreb Union, and others, as the anchors of regional integration, democratisation, peace and security, and accelerated economic growth.

Yet, South Africa has, over the past decade, favoured a "cautious and step-by-step" approach towards regional development in southern Africa, with a huge stress on regional co-operation. While policy has been based "on the principles of equity and mutual benefit", many actors in the region regard the country's policy as conservative and a stumbling block to accelerated integration; they charge that South Africa behaves like an economic imperialist power in the region. For example, a recent argument stated that South Africa consumes 80% of the water resources of southern Africa yet accounts for only 10% of the renewable water sources of the region. The ANC and government must heed this critique and attempt to address it. One way of countering negative perceptions is for South Africa to accelerate moves towards consolidating RECs as the building blocs of the Union project and take other states along with it in this process.

In line with its policy of South-South co-operation, strategy should continue to negotiate progressive political, economic and people-to-people ties between SADC and MERCOSUR (Argentina, Brazil, Paraguay, Uruguay); links between SACU and China; and reinforce the India-Brazil-South Africa (IBSA) Trilateral partnership.

The ANC should note that a challenge for the "African agenda" is the regional trade balance in favour of South Africa, as it is often said that this economic and trade dominance undermines the country's position in the region. It is vital that South Africa strives for a trade regime and trade balance that addresses this inequity and disequilibrium.

28.5. NEPAD AS THE AFRICAN DEVELOPMENT BLUEPRINT

In many African quarters South Africa's foreign policy is associated with the promotion of the New Partnership for Africa's Development (NEPAD) - the modernisation project promoting infrastructural development, growth, democracy and "good governance". Indeed, NEPAD is based on democratic values and principles, and its plan of action identifies five critical issues as essential to bolstering Africa's development chances. These include democracy, governance and peace and security; economic and corporate governance; infrastructure and information technology; human resource development (notably health and education); and agriculture and market access.¹¹³

However, it is important that foreign policy addresses the cleavages between NEPAD and the AU, engages labour and other non-state actors on the economic orthodoxies underpinning NEPAD, and starts to transform NEPAD into a genuine developmental plan. To date, the

¹¹³ NEPAD Secretariat. 'NEPAD at Work.' Summary of NEPAD Action Plans. Midrand, July 2002.

partnership between NEPAD and the outside world has been much stronger than that between NEPAD and African people, an anomaly that should be urgently addressed.

28.6. THE AFRICAN PEER REVIEW MECHANISM (APRM) - THE OTHER GREAT OMISSION

If the ANC document pays scant attention to the AU, it is even more silent on one of Africa's most innovative governance tools, one closely associated with South Africa's activism, the African Peer Review Mechanism (APRM). The APRM sets out to promote "good" and "democratic" governance, and develop a "common governance ethos in the continent". The APRM promotes adherence to democratic benchmarks and governance indicators, and encourages member states to sign up voluntarily to comply with the principles, priorities and objectives of the AU Constitutive Act and other decisions of the AU and NEPAD. It promotes democracy and good governance as "hot political issues", and encourages adherence to these.

It is crucial for the ANC to do a corrective and engage the APRM and other African instruments, especially in the light of the recent fall-out between government and NGOs over our own APRM process. This acrimony amongst South Africans has set back the process and even the credibility of the APRM. Indeed, up to now, there has been a worrying tendency by many NGOs to lay the blame for the tensions squarely at the door of government; yet the conduct of NGOs has been just as fraught with problems. More importantly, the tensions over South Africa's own APRM speaks to the broader issue of the power relations between state and civil society.

28.7. NO PEACE AND SECURITY WITHOUT DEVELOPMENT, NO DEVELOPMENT WITHOUT PEACE AND SECURITY

While the foreign policy document states, *inter alia*, that "our foreign policy is about peace, conflict resolution, [and] peacekeeping activities", it does not make any reference to the vexing challenges of peace, security and stability in Africa. As such, the ANC runs the risk of being accused of not being serious. The document fails to appreciate that over the past decade there has emerged a clear doctrine of a *Pax South Africana*, one that goes by the mantra: "there can be no peace without development, and no development without peace". A key goal of the African Agenda is to achieve "sustained and sustainable peace in the Continent". Post-1994 settlement South Africa has therefore been an active proponent of peaceful resolution of conflicts on the African continent and elsewhere.

A dominant mode of South Africa's African Agenda strategy has been to push for negotiated solutions and inclusive governments - read: the Government of National Unity (GNU) option. So, South Africa's African Agenda is heavily influenced by the experience of its transition from apartheid to democracy, and its agenda remains predisposed towards quiet diplomacy, and preventive diplomacy - notably the settlement of disputes through negotiations.

Both the Mandela and Mbeki governments emphasised the need for regional reconciliation following decades of tension and destabilisation by the apartheid state; yet regional reconciliation has received negligible attention to date, and the ANC could fill an important void here. It is here that the party's discussion document's recommendation of establishing "political party foundations", and making available "political parties foundations funding" so as to establish, in South Africa, foundations like the Fredrich Ebert Stiftung, the Westminster Foundation, and the Netherlands Institute for Multi-party Democracy (NIMD), is a useful one

The ANC, as a political party and movement, has to start playing a more pro-active role in party-to-party peace initiatives, engaging in "responsibility to protect missions", and in instances where unconstitutional changes of government (read: *coups de' tat*) are still practiced. It should develop strategies on the use of force and when and how military action should be used, and consider adopting policies in line with clear multilateral, UN and AU mandates. An ANC political party foundation can become key in peace diplomacy, democratisation and governance promotion - especially in relating to fellow liberation movements-turned-governing parties.

28.8. SEARCHING FOR STRATEGIC PARTNERSHIPS

Despite some of the weaknesses alluded to earlier, the ANC discussion document is most advanced on the question of the need to transcend the western-dominated global order and the Washington Consensus paradigm, and bring about a post-Washington Consensus and rules-based global order based on internationalism and heightened co-operation. The means to achieve this goal are "strategic partnerships" between the South and North in general, and Africa and the industrialised powers in particular. In the words of the ANC document: "...we need to develop a policy and embrace the new concept of international relations, the strategic partnership principle", as "South Africa is being approached for strategic partnerships", which determines that the North should meet their commitments to help Africa meet the MDGs "...such as cancelling the debt in highly Indebted Poor Countries (HIPCs), implementation on aid programmes, making available 0,7% of their GDP to poor countries", as well as ending subsidies on agriculture, and meeting the demands for "a free, fair, just and sustainable trade regime. It is important that South Africa focuses on the question of developing the necessary political and technical capacity to begin to get the West to live up to their commitments.

28.9. CONCLUDING POINTERS

We conclude with some premonitions and modest suggestions. It is vital for the ANC to work on building a “progressive” African constituency; a support base, which can support and defend the African and South agendas. Decades of South Africa's ostracism in Africa have turned South African society into a highly parochial one, typically disinterested in broader continental affairs. The African Renaissance agenda is unlikely to yield great dividends without massive local support from all quarters of society. The recommendation to build “a progressive movement in Africa and the world” is, therefore, equally applicable at home, and it is in this context that the call for strengthening “economic diplomacy and parliamentary diplomacy” should be welcomed.

The challenge of adequate resources for the consolidation of the “African Agenda” is key, and the resounding suggestion that South Africa should move to establish its own international development agency - a South African International Development Agency - is a prudent one. Together with the African Renaissance Fund, established almost a decade ago, this development agency could play a strategic role in consolidating the African and South Agendas, and introduce to South African politics a real public diplomacy thrust. It is important for the ANC to play a role in confronting and addressing the tensions between South Africa's political and economic roles in the continent. While the Republic's political and peace and security roles are generally viewed as “progressive”, its economic role is viewed as gluttonous and imperialistic - an untenable situation.

Finally, one of the greatest challenges faced by South Africa, and thus by the ANC, is to address the contradictory ideological strands in foreign policy. It should take up the challenge of articulating a truly progressive foreign policy, one that would make it difficult to allow others to label it politically progressive, but economically neo-imperialist.

29

CONFRONTING A CHANGING GLOBAL CONTEXT: WHAT ROLE FOR SOUTH AFRICA?

DR GARTH LE PERE

29.1. INTRODUCTION

This paper is an attempt to enhance discussion and debate on the ANC's important international policy discussion document, which seeks to establish conceptual and policy bases for promoting a just world and a better Africa.

Since 1994, South Africa has emerged as one of the pre-eminent norm entrepreneurs in international affairs. From its initial ambiguous grappling, it has succeeded in imposing order on the vexing conundrums of its identity, interests, and role in international affairs. Greater clarity of purpose has emerged in its foreign policy insofar as its conduct has been shaped by certain values and beliefs within the broad ambit of an active multilateralism. These cement the essential foundations of its foreign policy, namely, consolidating and implementing the African agenda, strengthening the axes of South-South cooperation, and improving the prospects for North-South dialogue and engagement.

The country's active norm entrepreneurship includes projecting principles of rectitude and codes of good conduct; supporting frameworks for cooperation and collective action; and assuring compliance with and embracing universal standards and rules. This places it in a unique position to further sharpen its international relations and foreign policy practices with regard to key issues. However, the choices available to it as a middle power will always be constrained by a calculus that weighs pragmatism against idealism, national interest against the collective good, the limitations of capacity and resources against expectation and ambition and so on. Inevitably, South Africa's normative agenda will come up against – and in some instances, collide with – the power of power politics and the hegemonic impulses of developed countries and the West, as it has recently experienced in the Security Council with regard to Iran, Myanmar, Lebanon and Zimbabwe.

29.2. MAKING STRATEGIC CHOICES

The policy document must thus be mindful of the powerful constraints – which essentially converge around the structure-agency dialectic – that otherwise might inhibit the possibility of South Africa's promotion and advocacy of a more just world and a better Africa. In this regard, there are two critical considerations: firstly, there is the continuum of means and

ends that are available to it to advance this agenda; and, secondly, the question needs to be raised whether the normative and philosophical thrust of this agenda is reformist or transformative. With regard to the first, there must be a better ordering and definition of priorities and strategic vectors *and* the means available – diplomatic, institutional and financial – that can be harnessed to make possible the realisation of the goals set out in the document. This ordering exercise will determine the extent to which the frontiers of social justice in Africa and globally can be advanced. With regard to the second, is the possibility of a just world and a better Africa a function of the *level* or the *degree* of change? An interpretive structure is needed that helps to determine whether what is contemplated in the document will require simple systemic adjustment and accommodation *or* more fundamental change in power differentials and influence, and in global order and governance.

A close reading of the document would seem to suggest that South Africa's ambition would require equal measures of both: '*reform of order and governance*' (for example, developed countries meeting the 0,7% of GDP in aid, developing codes of business conduct and improving economic diplomacy capacity); and '*transformation of order and governance*' (for example, promoting an African Union Government, achieving the MDGs, and making poverty history).

29.3. DEVELOPING A NORMATIVE CHARTER

Accordingly, South Africa's norm entrepreneurship could be significantly strengthened by a charter that defines the thematic and substantive framework for a just world and better Africa in terms of solidarity, social justice, democracy and policy effectiveness. Taken together, their absence helps to explain the inadequacy of both reformist and transformative global governance systems.

Firstly, solidarity is important because it demands a willingness to stand side-by-side with others in finding solutions to collective problems. Without solidarity between rich and poor, developed and developing countries, the MDGs, for example, will never be met. The threats of global warming, poverty, terrorism, and nuclear proliferation also require a focus on solidarity since they currently undermine human sustainability. As such, those contemporary global challenges highlighted in the document bring mankind together as never before as overlapping *communities of fate*.

Secondly, while standards of social justice remain controversial, there is an imperative to promote human rights and civic freedoms in an appropriately defined institutional order. It can be argued that existing socio-economic arrangements and asymmetries in wealth and power are unjust or simply beyond justice because they conspire against implementing global social justice norms such as meeting the MDGs and the 0,7% of GDP target in aid.

Thirdly, democracy presupposes non-coercive political processes in and through which citizens can pursue and negotiate the terms of their interconnectedness, interdependence, and difference. In democratic thinking, consent constitutes the basis of collective agreement and governance. The fragile, unrepresentative, and undemocratic governance architecture that is meant to protect the global commons, for example, has caused millions to die and suffer without cause and serious harm to be inflicted on the innocent. In this regard, there is a need to strengthen the fabric of representation in the United Nations Security Council as the custodian of international peace and security and the only global body that has the mandate to prevent interstate war and intrastate violence. The inability of the Security Council to intervene in the human tragedy of Darfur remains a scar on global conscience. In addition, the disempowerment of poor countries and inadequate representation of their collective voices in the World Bank, the IMF and the World Trade Organisation (WTO), further erodes the efficacy of the governance architecture and undermines the already precarious livelihoods of the poor in developing countries.

Finally, failure to act sooner on pressing global concerns generally raises the cost of dealing with them. In fact, the costs of inaction are high and often, vastly higher than the costs of action. For example, it is estimated that the costs of inaction in dealing with communicable diseases in Africa is 100 times higher than the costs of corrective action and timely intervention. Similar calculations have been made with regard to challenges of maintaining international financial stability, pursuing equity and fairness in the multilateral trade regime and instituting preventive measures in times of war and conflict. Hence, the costs of deficient provision of global public goods are extremely high and outweigh, by significant margins, the costs of corrective policies.

29.4. THE FRACTURES OF GLOBAL ORDER

The policy document must note that the quest for a just world and a better Africa will be threatened by the intersection of humanitarian, economic and environmental crises; and that there are inexorable forces pushing these crises from bad to worse in an emergent post-Cold War system, characterised by structural global vulnerability. The global arena is at once a space for extraordinary human development and progress but also one that causes great disruption, suffering, instability and destruction, especially among developing countries but particularly in Africa. The sources of this are multiple and cross-cutting: there are borders that are ill-defined and people and communities within borders who are at war with each other; weapons, from small arms to those of mass destruction, continue to proliferate; there is increasing competition for scarce water and energy resources; the asymmetric threats of terrorism remain difficult to manage at this unilateralist juncture; transnational problems such as the illicit flows of arms, illegal migration, money laundering and the scourge of the HIV/Aids raptor, await better interstate responses; there are autocratic and illegitimate regimes that suppress the yearnings and aspirations of their citizens; and divisions of

language, religion and ethnicity continue to create conditions for communal and sectarian violence.

Structural global vulnerability also manifests itself in the profound disparities and inequalities of global wealth. While global capitalism has certainly reshaped markets, how they function and whom they benefit, it has deepened and widened structural global vulnerability and led to the further impoverishment of large swathes of people, countries, and regions. A few examples will illuminate this phenomenon:

- in GDP terms, 54 countries were poorer in 2003 than in 1990 (and 20 of these were in sub-Saharan Africa);
- between 1988 and 1993 the world's poorest 5% lost almost a quarter of their real income and for the same period, the top 5% gained 12% of theirs;
- for every US\$100 in world exports, US\$97 goes to high- and middle-level income countries and only US\$3 to low income countries;
- if Africa, East Asia, South Asia and Latin America were to increase their share of exports by just 1%, it could lift 130 million people out of poverty;
- a 1% increase in Africa's share of world trade would generate US\$70 billion or five times what the continent receives in aid and debt relief. (Before the boom, Africa has lost 50 cents of every Dollar received in aid because of falling commodity prices);
- rich countries spend US\$1 billion a day on agricultural subsidies which drives down the income of farmers in poor countries; and
- 14 out of the 21 countries are in sub-Saharan Africa whose quality of life and human development indices had deteriorated in the 1990s.

29.5. THE INTERSECTIONS OF THE 'WASHINGTON CONSENSUS'

These examples point to a need for the document to be sensitive to the Washington economic consensus and the specific forms of globalisation it promulgates. In this view, a positive role for government is to be fundamentally distrusted in the core areas of socio-economic life, from market regulation to utilities management. The thrust of the consensus is to enhance economic liberalisation and adapt the public domain – local, national, and global – to market-leading institutions and processes. The Washington consensus and its variants thus bear a heavy burden of responsibility in significant areas of market failure, including the problem of externalities such as environmental degradation; inadequate development of non-market social factors which are essential for providing public goods such as education, health and infrastructure; the poor use of productive resources, including

human capital and so on. The vagaries of markets cannot resolve problems of resource generation and allocation. The roots of many economic and political problems - such as vast inequalities in life chances, poor institutional management and resource governance - the erosion of productive sectors such as agriculture, and global financial volatility, can be found in the market fundamentalism which has weakened the ability to govern at all levels. Furthermore, it has eroded the capacity of states to provide urgent public goods and services for their citizens.

The document should also note that Washington's security doctrines since 11 September have compounded the political weaknesses of the economic consensus. The further rush to war in Iraq in 2003 gave priority to a narrow security agenda, characterised by unilateralism and pre-emptive war. This agenda contradicts and is hostile to many of the core tenets, norms and institutions of international relations and multilateral cooperation. In this context, the value of the UN system has been called into question and the legitimacy of the Security Council has been undermined, amid a growing chorus for its reform. Deeply embedded structural paralysis in the UN inhibits its ability to live up to the calling of its charter, thus making it susceptible to the agendas of the most powerful states, but especially the US. The future of the EU is also uncertain and there is a deep sense of unease about the changing demographic landscape of Europe and the imperatives of multiculturalism brought on by migration. The EU is also anxious about the increasing success of low-cost economies such as China, Brazil and India, and whether the European social model can survive in its present form, especially in view of an ageing population. The WTO faces its own existential crises because of the desultory progress with the Doha development round, and since 11 September, the future of NATO has become clouded in view of the global redeployment of US forces and tensions in Europe about conditions for using NATO forces. With mounting 'pledge fatigue', the G-8 seems even less capable of delivering on trade, aid, and debt relief. And, finally, the Nuclear Non-Proliferation Treaty regime faces an uncertain future in light of difficult enforcement challenges, and a permissive environment of nuclear apartheid and proliferation.

29.6. REFORM OF THE INTERNATIONAL FINANCIAL ARCHITECTURE

The document must pay some attention to crafting a new international financial architecture and how South Africa might use the strategic opportunity as chair of the G-20 group of finance ministers. The roles of the World Bank and IMF are coming under increasing scrutiny, and pressures are growing for their reform and restructuring. Their policies converge in attempting to socially construct a universal norm that is based on the spurious assumption that both free capital and unfettered markets are not only inevitable but are necessary for economic progress and general public welfare. However, the very foundations of this neo-liberal orthodoxy and the role of the Bretton Woods institutions as its institutional custodians have been severely shaken by weak growth performance among borrowing countries, persistent poverty, rising inequality and endemic crises. There is thus a need for more

participatory and prudential management of global imbalances, capital flows, development finance, poverty reduction, and financial market stability.

29.7. CHALLENGES FOR SOUTH AFRICA

In both the African and global contexts, the document should consider the following challenges (in no order of priority):

- Africa continues to grapple with problems of food security, production, and employment. This problem intersects with high rates of urbanisation – more than 250 million Africans live in urban ghettos – and the HIV/Aids pandemic, which is cutting a swathe of human destruction across the continent. This challenge comes into stark relief considering the demographic youth bulge where more than half of Africa's population is under the age of 20 and just 10% are older than 50. On average, Africa's labour market will swell at a rate of over 7% over the next ten years, which means there will be about 15 million new entrants into the labour market each year. Could South Africa provide better leadership in shaping a strategic discussion on these matters within the structures of the African Union?
- China has emerged as a major player on the continent and its growing footprint is a cause of both hope and fear. There needs to be a better coordinated African response to how to manage this increasingly complex partnership. China's interest in Africa's natural resources has led to a commodity boom which, in large measure, has accounted for improved rates of growth, but this reliance on commodity exports will not contribute to Africa's long-term industrialisation, economic diversification and development prospects. China's growing presence in Africa's energy, resource, business, and trade sectors has also resulted in a new geo-strategic competition with Europe and the United States. This has to be carefully managed lest the continent again be caught up in great power rivalry and a kind of balkanisation that will undermine its integration efforts. South Africa is the only country on the continent that has an official bilateral national commission with China. This presents it with an opportunity to advance diplomacy on behalf of Africa that addresses multiplying concerns about China's engagement with African;
- South Africa's role as a non-permanent member of the Security Council has come in for severe criticism and the country's voting record and interventions so far have been assailed in some quarters as representing a fundamental departure from the ethical underpinnings of its foreign policy. This view, in this author's opinion, is unjustified, self-serving, and cynical. Rather, South Africa is pursuing an agenda that will highlight the unrepresentative nature of the Council, namely, the fact that the Permanent-5 (the US, France, Britain, China and Russia) have power without responsibility in upholding the basic principles of the UN Charter. It is important, furthermore, to improve the Council's focus on issues that are directly related to

the multiple threats to global peace and security and in this context, promoting the interests of developing countries. Africa becomes particularly important and relevant in this regard. Since this is a historic moment in the life of its foreign policy, it is incumbent on South Africa to put in place a dedicated framework for public diplomacy and information. Such a framework could serve to better explain to its own citizens and other constituencies beyond, what it hopes to achieve in the course of its two-year tenure as a non-permanent member of the Security Council;

- In the Southern African region, South Africa continues to play a very important role. However, it needs to better define its strategic objectives as the political and economic engine that drives the regional agenda in the Southern African Development Community (SADC). South Africa's reintegration into SADC since 1994 has been beset by many difficulties. This is partly due to an apartheid history of destabilisation in the region and then multiple sensitivities and misapprehensions among its neighbours of being dominated and overwhelmed by South Africa's muscular presence. It would appear that the regional agenda has stalled, what with the desultory progress that has been made with implementing the operational benchmarks embodied in SADC's Regional Indicative Strategic Development Programme and the Strategic Indicative Programme for the Organ on Politics, Defence and Security Cooperation. The conflict management instruments of the Organ have often been found to be blunt when, for example, dealing with governance problems in Zimbabwe and Swaziland especially. The current inertia that characterises these programmatic frameworks will seriously impair the region's development integration objectives and prospects. South Africa must provide more robust leadership on these matters, since the government has clearly articulated its commitment to a more equitable form of regional integration and improving the workings of SADC's security architecture. President Mbeki's mandate to mediate in the Zimbabwe crisis, under the auspices of the Organ, is certainly a welcome development. That South Africa is the leading regional power is less important than how it chooses to use that power;
- South Africa is the current chair of the G-20 of Finance Ministers. Their role has become increasingly important in shaping the political discourse and policy discussion on reform of the Bretton Woods institutions – the World Bank and the IMF – as well as improving the institutional underpinnings of the global financial governance architecture. These institutions have a chequered history in developing countries but it is in Africa where they stand condemned for introducing erroneous policies, which have terminally undermined the ability of African governments and societies to respond effectively to their development and growth challenges. South Africa thus has a unique opportunity to deepen the reform and institutional governance debate and this also provides it with a platform to influence the international development agenda with regard to key areas such as aid, financing for development, trade, and debt relief;

29.8. CONCLUSION

In a short space of time, South Africa has responded effectively to playing important and productive roles in its regional, continental, and global environments. Under its two presidents, it has developed a very acute sense of its mission, identity, and goals and this is well reflected in its foreign policy frameworks, norms, and practices. It must, however, be constantly mindful of the extreme limitations that come with advancing an ambitious foreign policy agenda in a fast changing and mercurial world. There will always be powers arrayed against it, forces that it cannot manage and battles that it cannot win. Pragmatism, prudence, circumspection, and moderation then are of the essence in casting South Africa's role in a manner that is commensurate with a middle-level country. It must continue to be an active multilateralist in promoting normative understandings and debates that address the inherent asymmetries and structural inequalities in international relations and it must fearlessly speak out about Africa's and developing countries' increasing marginalisation in global affairs. Reformist and transformative principles and norms must be at the core of its foreign policy endeavours.

Finally, in the face of so many dark and apocalyptic forebodings and great imponderables at this juncture of world politics, South Africa must always be prepared and, if need be and when necessary, be ready to adjust its strategic compass. As the great philosopher, Isaiah Berlin, once remarked: "To know the worst is not always to be liberated from its consequences. Nevertheless, it is preferable to ignorance."