

4th Quarter, 1996

Umrabulo was used as a term to inspire political discussion and debate on Robben Island. In the true spirit of the ANC, this concept is being revived to assert our fundamental adherence to the necessity for enriched discussion at all levels of organisation. In this way, the programmes that we implement will be based on a solid understanding of our options and our principles.

This booklet is the first in a series of booklets that will be produced for internal ANC and Alliance discussion at all levels of the organisation. The booklet is intended to stimulate robust debate and serves to empower Alliance membership with the tools necessary to input into the policy decisions of the organisation.

Discussion papers included in this first series are adaptations of papers delivered at the Political Education and Training Winter School:

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Introduction

The African National Congress has re-established the Department of Political Education and Training. The mission of the department is to empower the membership of the ANC to participate in the activities of the movement and society at large. In practice this means that the ANC membership will be better equipped to determine policy positions within the organisation.

An informed membership will help maintain the ANC as the main force for change and development. The last six months has seen an upsurge of political discussions on a range of strategic and tactical questions facing the ANC. All levels of the movement have taken a keen interest in political education.

The Department of Political Education and Training, as part of its programme of action, encourages branches, activists and members generally to engage in political discussions, workshops and study circles.

In July 1996, the Department held its first National Winter School for senior political leadership including members of the National Working Committee, Ministers, Deputy Ministers, leaders in parliamentary structures, ANC Youth League, ANC Women's League, Heads of Departments and the Provincial Leadership. Papers were presented on major current and strategic questions. These papers were on the following subjects;

- 1. Is the NDR still on track?
- 2. Thinking about the concept "NDR."
- 3. International balance of forces and the place of the ANC.
- 4. Character of the ANC and challenges of cadre development.
- 5. Macroeconomic framework and budgeting, together with its relationship to the issue of gender.
- 6. Challenges of local development and delivery.

This booklet contains some of the papers that were discussed at the Winter School. This selection has been made for further discussions at Provincial, Regional and Branch level.

The aim of the booklet is to build the knowledge of the ANC around current issues. The booklet is a contribution to the on going political debate. The booklet aims to serve as resource material for political education at different levels within the ANC and the alliance.



We trust that this will help stimulate political discussions and develop a strong and dedicated cadreship at national, provincial, regional and branch level. The views expressed in this booklet do not reflect the official position of the ANC. The views are merely part of a vigorous, robust and democratic debate.

THE NATIONAL DEMOCRATIC REVOLUTION IS IT STILL ON TRACK?

Based on an input by Joel Netshitenzhe

1. What is the National Democratic Revolution (NDR)?

The National Democratic Revolution is a process of struggle that seeks the transfer of power to the people. When we talk of power we mean political, social and economic control. The NDR has been understood in terms of phases at which certain objectives should be achieved. The objectives of NDR include the transformation of South Africa into a non-racial, non-sexist, democratic and united South Africa where all organs of the state are controlled by the people. As a basic principle, the NDR looks at the national question in South Africa. It looks at removing the barriers that have been set by apartheid in terms of black people and Africans' (in particular) access to the economy and services. The democratic movement sets itself some goals that should be reached at each phase in the NDR. These goals are called strategic objectives and have been outlined above.

2. The Character and Motive Forces of the NDR

The democratic forces in South Africa are not yet in control of all layers of power. Before looking at where this power is located, we must first understand what makes up the NDR. Any revolution is defined in terms of its character and motive forces. When looking at the character of the NDR, we look specifically at the issues of power and the objectives of transformation.

2.1 The motive forces of the NDR

The forces that drive the NDR and take it forward are black working people: workers, the unemployed, rural masses, the middle strata in general including professionals as well as small and medium business people. <u>The Strategy and Tactics Document</u>, adopted at the ANC's 1994 Congress, states:

"The main motive forces of the democratic transformation are primarily represented by African workers and the African rural poor. These forces are also represented by black workers in general and the black middle strata. These are the forces which possess the best political and ideological potential to lead and defend the process of transformation."



In evaluating whether this still holds, two issues need to be looked at: What does it mean to pursue the NDR? Who stands to benefit from its successes? The fundamental contradiction in South African society is (mainly white) monopoly capital on the one hand and the rest of society (essentially black) on the other. Where then does this leave black capitalists? What is the relationship at this stage between the fundamental class contradiction and the remaining elements of national oppression?

Debates have been raging in the democratic movement about the emergence of the black bourgeoisie. Some comrades are talking about drawing what they call the "patriotic" bourgeoisie into the national democratic revolution. This bourgeoisie is referred to as "patriotic" because they are said to be concerned about the interests of the nation as a whole, in terms of the RDP, and want to see South Africa succeed in a way that benefit the majority.

The task of the ANC is to mobilise and organise the motive forces to accomplish the NDR. All the class and national forces have their own short-term and long-term interests. Class forces and national forces are all trying to influence the direction and content of the transition. The ANC has to balance all these interests **but** the ANC cannot be an empty vessel that accommodates everything. Certain choices have to be made. The ANC has made those choices in the past and continued to make them in the *Strategy and Tactics* document.

The ANC has declared a leaning to the poor. The question that must be asked is how is this leaning expressed in practical governance and in work that the ANC does on the ground? If the National Liberation Movement (NLM) seeks to be all things to all people, it will lose support both to the left and to the right. The *Strategy and Tactics* Document states:

"... we must recognise the fact that there is social differentiation between these black masses which at times will lead the various classes and strata to express different aspirations and pursue separate objectives. While continuing to strive to represent the black people as a whole, the movement must however ensure that, at all times, and in the first instance, it represents the interests of the workers, rural masses and the middle strata, those who constitute the majority of people in this country."

2.2 The character of the NDR the issue of power and the objectives of transformation

One of the central issues that has to be looked at when assessing the character of the NDR is the ability of the movement to continue to receive direction from the masses of people in South Africa. The transfer of power from apartheid to a democratic state requires participatory democracy, a democracy that is driven by the people. The *Strategy and Tactics* Document states:

"...we must continue to uphold the principle and practice of bringing government as close to the people as possible, to ensure popular participation in government."

2.2.1 The Character of the NDR The issue of power



The first and most visible act of any revolution is that of the transfer of political power. This entails taking control of the state machinery and introducing new political and social relations. This is a long process. However, at the start of the revolution, the new class forces should have both the capacity and the intention to begin implementing fundamental change in all areas.

In South Africa today, we have to look at whether this first act has been accomplished. In order to assess whether this has been accomplished we must examine the current balance of forces in various centres of state power and power in general. In assessing this balance we have to look at what capacity the ANC and its allies have to realise the objectives of transformation. Six areas of power need to be looked at here:

- 1. The Constitution
- 2. Parliament and legislatures,
- 3. Governance,
- 4. State machinery
- 5. Economic relations; and
- 6. The content and depth of national debate.

1. The Constitution

South Africa is in the process of transferring power and transforming society by constitutional means. The capacity to introduce fundamental change depends largely on whether the basic law of the land provides the framework for it. The negotiated constitution does provide that framework: we have enshrined democratic majority rule and a bill of rights with references to social rights. Some issues that we need to look at include whether the property clause inhibits anything that we would otherwise have wanted to implement. In terms of the national question, does the reference to collective rights and the commission on the Rights of Religious, Language and Cultural Communities undermine or promote the ANC's own objectives? The sunset clauses in the interim constitution will continue to operate until 1999 and this constrains the ANC in terms of its approach to restructuring the civil service, for example.

2. Parliament and legislatures

The capacity to use these for transformation depends on the majorities we hold. We are at an advantage at national level and in 7 of the provinces. In the other two provinces we have enough influence on decisions that are taken. However, in both national and provincial government we have to look at the role we have played and whether we are using government to give leadership to the people in terms of transformation. We have to look at the agenda we are following: is it the agenda we set ourselves before the 1994 elections?

3. Governance

Governance looks at the relationship between the state and civil society and their interaction in terms of leading and directing change. Governance is affected by many factors. The most important questions are: do we have the capacity to define policy and implement it? Have we integrated the activities of government as a whole - among



departments, between national, provincial and local government? Have we streamlined legislative and executive activities to advance transformation? Have the ANC, its allies and civil society been involved with policy formulation and implementation? Are the Alliance and SANCO driving change or just responding to government decisions? While we may be constrained by the interim constitution in terms of transforming the state, there is much that can be achieved in transforming cabinet committees, the cabinet secretariat, the Presidency and executive structures at local level. There is also much that can be done to revive and build grassroots structures and the mass democratic movement who should be driving transformation at the local level.

4. State machinery

The fact of being in government, the provisions in the constitution, White Papers and legislation, including civilian control of the security and intelligence services, give the democratic movement the chance to start the process of transformation. The issue of strategic deployments and entry of, for instance, black graduates, in relation to all these structures, including the civil service, the army, police and intelligence services, have not been given the critical attention that they need.

5. Economic relations

Regarding economic relations, the central question is whether the NLM has the instruments to change the relations of apartheid. Economic relations of apartheid are characterised by (mainly African and black) poverty on the one hand and (mainly white) wealth (opulence) on the other. The questions of wealth and poverty are defined along racial lines. This relates to income distribution, ownership and control of wealth, issues of skills and training, and programmes on education, housing, health and welfare. Three issues need attention at this centre of power: RDP objectives have been defined and policies have been worked out. However, the government has to contend with the constraints of the fiscal mess that was inherited. What is also of great concern is that the ANC-led government has not developed the capacity to use even the meagre resources that are available.

The question of ownership of wealth arises on two levels. Firstly, it arises within the context of its racial and gender distribution. Secondly, the monopoly stranglehold on our economy impacts negatively on competition and prices, on opportunities for investors to come into the country, and it relates to the possibilities of a few individuals and families to weaken the economy if they so wished and on perspectives within the media. Combined, all these factors undermine the ability of government to use the formal power it may have to introduce change. The economy needs to be transformed in order for the masses of people in this country to achieve an improving quality of life. Central to the management of any economy is the macro-economic framework, as well as the close working relations between the monetary and fiscal authorities.

6. The content and depth of the national debate

Related to all the factors mentioned above is the extent to which the democratic forces are able to impact on the content and depth of the national debate. This is linked to the ownership of the media as well as positions in editorial and newsrooms. Ownership and



control of the media and its content must reflect the array of the nation's political schools of thought. At the local level, Alliance structures should be influencing the direction of change which can filter up to the national debate. The above discussion shows that the democratic movement has achieved only elements of power. It does not possess all the capacity required to introduce transformation. It has to strive to shift the balance in various sectors of power. The transfer of power is a process.

The ANC and its allies face the challenge of moving towards control of power by the democratic majority in order to ensure that the process of transforming society moves forward. While the transfer of power is the first and visible act, social transformation does not have to wait for all power to be transferred. Rather, the two processes reinforce one another.

2.2.2 The character of the NDR Objectives of Transformation

The 1994 *Strategy and Tactics* Document defines the objectives of transformation:

"The strategic objective of the ANC is the transformation of our country into a united, democratic, non-racial, non-sexist and prosperous society. Each of these principles are interlinked and are all part of a thorough-going democratisation of our country". The task of deracialising our society plus ending gender disparities are central to the effort of the total dismantling of apartheid... Another objective of the national democratic revolution is the achievement of national unity. This requires that though we should continue to recognise the ethnic and racial diversity of our society, we should seek to build a united society which would not be torn apart by competing antagonistic ethnic and racial demands... The attainment of a high quality of life for all South Africans is one of the central objectives of the ANC. The main strategic plan in our endeavour to attain that objective is the RDP".

The character of a revolution should be looked at from the point of view of the deep contradictions it seeks to resolve. In South Africa we had defined the basic contradiction as that between national oppression and national liberation. In other words the NDR is a prolonged process of transforming South African society into a society that reaches the aims of the Reconstruction and Development Programme.

In terms of class forces, the contradiction was defined in the past as an alignment on the one side of all of those who stood to gain from victory of this revolution: black workers and the unemployed, the black rural masses, black middle strata and business, black professionals and others in these communities, as well as democratic whites. On the other side was an alignment of monopoly capital and the same, but white classes as the above.

The broad objectives of the ANC and the democratic forces have not yet been attained. The NDR with its vision of transformation of society, is still at its very early stages. It is important to understand that power is not attained for its own sake, but in order to use it to change society. The strategic objectives of the ANC are defined in the RDP, the Strategy and Tactics Document and the Freedom Charter. The strategic objectives can be broken down into the following categories: political and social rights character and style of government economic growth and development that benefits the country as a



whole, and particularly workers and the rural masses affordable services in the areas of health, education, housing, welfare

3. Conclusion

The issue of whether the NDR is still on track is critical to the movement. The above discussion highlights the areas where the movement is making advances. At local level, we have to constantly assess whether or not our programmes and actions continue to advance the interests of the NDR. In local government elections, one of the campaign slogans of the ANC was that local government means community empowerment. This links directly to the perspective in the *Strategy and Tactics* Document related to participatory democracy to improve the lives of the people. In local areas, how are ANC and alliance structures and civil society relating to local government in directing and advancing the NDR?

Some other questions that should still be raised include: In terms of political, social and economic relations, should the ANC define a brief and clear programme about exactly what type of society we seek to build? How does the ANC approach the international political and economic situation? How does it position itself within that context? Which of the ANC's actions are tactical approaches to a given world balance of forces and which are matters of principle?

Finally, we can conclude that the NDR is still on track. We must make sure that we keep the NDR train on track. The detours that we take for tactical reasons must not become positions of principle which can cause the train to be derailed. The journey towards the strategic objectives of the NDR does not just happen on a straight and direct track. Sometimes we have to take decisions to move onto other tracks. However, the challenge is to always ensure that we understand where we are going. The challenge is to understand that different routes can be taken to get to that place called the strategic objectives. The decision as to what route we take will be based on the objective conditions in which we find ourselves.

THINKING ABOUT THE CONCEPT "NATIONAL DEMOCRATIC REVOLUTION"

Based on a paper by Jeremy Cronin

Introduction

The concept of an NDR remains more relevant than ever in our current South African situation. However, the relevance of this concept cannot just be asserted, we need to assess how (or whether) our conceptualisation of an NDR needs to be adapted, expanded and enriched in the light of new experiences and new challenges. In this paper we look briefly at the main content of the "national" and "democratic" dimensions of an NDR. We then devote more attention to the idea of a "revolution" and the related



question of power. Finally, we look at two other related issues - the kind of state we are trying to consolidate, and the issue of a broad popular movement for transformation.

NDR

Of course it is a theoretical abstraction to detach the different components (the N, the D, and the R) of an NDR - all three are deeply interrelated. Nevertheless, for the sake of developing some clarity, for the sake of helping discussion, we will take each separately in turn. But, at the end of the day, we need to put them back together into a dialectical unity - a unity that operates in an interrelated way.

The "national" in the NDR

Basically, the "national" in the NDR has, itself, referred to three different but interrelated realities: the first, and most important, dimension of the "N" in NDR, is the conviction that the central question of our struggle is to address the national oppression of the majority of our people. From this central question, we have argued that the motive force of our struggle is the oppressed black majority in general, and the African people in particular.

Our struggle, then, focuses on the organisation and mobilisation of this majority, in the first place, on the basis of their historical oppression and the still present legacy of it. The necessity for, and the leading role of the African National Congress is also, obviously, integrally connected to this strategic perspective. the "N" in NDR has also always been understood to refer to the critical task of nation building. Nation-building refers, in part, to such important present tasks as reconciliation and building a new patriotism. These concerns are rooted in earlier and long-standing ANC traditions non-tribalism, and non-racialism. But nation building also refers, perhaps more importantly, to building the material, infrastructural conditions for a united nation overcoming apartheid social geography, addressing the massive inequalities of decades of combined and uneven development.

The RDP vision of major urban and rural infrastructural development is deeply connected to this kind of nation-building. the "N" in NDR has also always had an external reference: the need to win, defend and nurture the capacity for national self-determination in the face of colonialism and neo-colonialism. It is this dimension of the "N" that deeply informed the ANC's anti-imperialism.

There are new, complex challenges to this tradition in our movement, in the present global circumstances. Issues that relate to this dimension of the "N" factor include the need for a strong government with a clear foreign, trade and industry policy; the defence of the sovereignty of decision-making in our elected legislatures; the importance of the Southern African region; and the need for popular support and patriotic understanding of the struggle for national self-determination. The national self-determination dimension of the NDR has great significance in the current global situation - part of the neo-liberal offensive is to weaken third world states through enforced packages of deregulation, liberalisation, privatisation and massive budget cutting.



The "democratic" in the NDR

Since 1912, the ANC has seen itself as a movement to extend basic democratic rights to the majority. Since at least 1955, the ANC has defined democracy more broadly to include not just basic citizenship rights, but also the far-reaching democratisation of the social, gender and economic spheres. Clearly, this far-reaching understanding of democracy informs the ANC's RDP, as well as the new Constitution.

The "R" in the NDR

We have, as a movement, spoken of a national democratic revolution basically to underline two points: that all of the above "N" and "D" objectives require a fundamental change in the power equation in our country; and (or, is it or?) that the process of realising the "N" and "D" objectives is itself a fundamental change in the power equation. The slight hesitation between how we think of the "R" in the NDR - as something that comes before the "N" and "D" objectives, or as something that **is** the realisation of the "N" and "D" objectives brings us to the heart of the matter we want to deal with in this paper:

How should we think about power?

In our broad national liberation movement we have tended to have three slightly different ways of thinking about power. These are not necessarily in opposition to each other, each has strengths and potential weaknesses. The challenge, in the end, will be to find the right balance and combination of them. But here, once again, for discussion purposes, we suggest three somewhat different ways we have thought about power:

1. An instrumental version of power and the state

In a great deal of our strategising, we have thought of power as being essentially in the political (and economic) commanding heights. We have strategised around how to seize or have transferred these commanding heights. Guided by this way of thinking, we have debated "whether power was really transferred in April 1994", or "Will transfer happen in 1999?" Also within this way of thinking about power, we have talked about "capturing the steering wheel", "grabbing the levers of power", and "turning the ship around". The strength of this kind of conceptualisation is that it correctly identifies the state as a critical site of power.

The state is a critical focus of power for co-ordination (and, disco-ordination of opposing forces). The state is a set of institutions that also (at least in principle), have a monopoly over the legitimate use of repressive power. But there are also weaknesses and dangers in this way of thinking about power: it tends to under-estimate the complex, fluid nature of power. The state is less an instrument and more a site, itself, of complex struggles; the commanding heights version of state power, in our situation, also often underestimates the budgetary crisis, financial frailty of the state, and huge bureaucratic crisis of much of its apparatus; an exaggerated focus on "commanding heights" can easily, after the Revolution, or post-independence, result in bureaucratism, authoritarianism and substitutionism ("the people are in power, because we are in power").



It can also result in an exaggerated emphasis, on the economic plane, on nationalisation as the be-all of economic transformation. Above all, our own tendencies to think about power as getting our hands on the commanding heights of government, are now giving us difficulties. Those who still retain massive power (like the captains of industry, and old bureaucrats from the past) are happy for the ANC to carry the can, while their own past sins and present powers are hidden. They like to goad us: "Where is the delivery?". "You've been in power for two-and-a-half years, why haven't you solved the crime problem?" It is very important that we understand that state power is critically important, but that it is not all.

2. An emphasis on transformation of power

Another powerful tradition within our movement has been to be less concerned with "seizure" or "transfer", and to rather see power as something problematic, and which, if it should not be renounced, then it should at least be thoroughly transformed. Of course, one common way of putting 1. (seizure/transfer) and 2. (transformation) together has been to think of them as two different moments: first we must capture power, and then we can transform society. But there is also quite an extensive tradition of seeing capture and transformation as being much more simultaneous, and even of profound transformation occurring before the "actual revolution".

There is, in particular, a very rich African literature about the transformation of power as a necessary consequence and prerequisite of fighting a NLM in the first place. Great African revolutionaries like Amilcar Cabral, Frantz Fanon, and Eduardo Mondlane have written profoundly about this. Much of this is a reflection on liberated zones, and the impact that a struggle makes on democratising gender relations, customary tribal authority, the relationship between different generations, long before victory is won. The potential weakness in this approach to power is that one underrates the struggle for the core centres of power. The danger is that state power, or economic ownership, for instance, will become irrelevant. Such tendencies are evident in workerist ideologies, which often encourage an ideology of permanent oppositionism.

3. Power as self-empowerment

Again this way of thinking about power has had a rich and dynamic influence on our movement. The traditions of shop steward councils, Organs of People's Power, Self-Defence Units, street committees and Masakhane (in its fuller meaning of "building together"). These are the creative traditions of "each one, teach one", of boot-straps power. An important influence in this respect has been Black Consciousness (and, to a lesser extent in our case, feminism) power is about self-assertion. But the weakness of this way of approaching power includes, amongst other things, the ambivalence of the word "self" in self-empowerment. It can shift away from collective self-empowerment, towards the self, as in "I". We can see this in the devaluation of certain BC themes in our country at present, where black assertion becomes self-enrichment.

There are real strengths and positive features in each way of addressing power. These three different approaches towards power should not be treated as opposing alternatives. Rather, we need to be more self-conscious of their different emphases and



potential weaknesses, and find the right balance. This leads us directly to the question of what kind of state are we/should we be fostering in our new SA?

THE DEVELOPMENTAL STATE

The idea of a developmental state has been floating around a bit in activist and academic circles. But it requires a great deal more elaboration and understanding.

The following are some general thoughts to get the ball rolling on this topic:

The post-1945 period saw, despite the Cold War, a certain global consensus about the state in both Western Europe, in the newly emerging independent Third World states of Africa and Asia, in Latin America, in Eastern Europe, and even, to some extent in the US, there was an acceptance that the state had a major economic role as owner of key economic commanding heights, as planner, as regulator, and as provider of extensive welfare.

There were two major competing "models" within this broader consensus the Keynesian, welfarist state, and the soviet central planning state.

In practice, there was a great variety of local adaptations of one or both of these dominant models. Since about 1973, this global consensus has been shattered, but the growing economic difficulties of welfare states, and by the virtual collapse of the Soviet-style states.

In the Third World, where many progressive states tried to combine features of both, states have been even more devastated by economic crisis and enforced structural adjustment programmes.

The Neo-Liberal Consensus the practical crisis of the welfarist and soviet style post-1945 state created the space for the rapid emergence of a new globally dominant neo-liberalism. This position has argued for a minimalist state, for the state to remove itself largely from the economy with its economic role being confined to "creating a favourable climate for private investment", and, in the words of an Indian academic, in third world societies: "the vocation of the nation-state undergoes a fundamental mutation: the state no longer represents the interests of the nation in the world of international competition; it comes to represent, rather, the interests of `globalisation' to the nation."

A cornerstone economic assumption of the neo-liberal consensus is that "the state is simply a consumer of wealth, it creates no new wealth". From this assumption, comes the advocacy, in the name of economic growth, of the radical curbing of the state's role in the economy (privatisation, liberalisation, deregulation), and the sharp cutting back of state expenditure (like stringent budget deficit reduction).

To summarise: The more or less simultaneous crisis of the welfarist and soviet-style administrative command state has been used as a point of entry for neo-liberalism. For the better part of a decade and a half, the assessment, critique and proposal of alternatives has been monopolised by the right, and a formidable international



ideological hegemony has been forged. All of this background is necessary because elaborating (in theory and practice) the concept of a "developmental state" needs to be, quite self-consciously, a progressive critique of the neo-liberal version of the state, but a critique that is not a simple (and probably impossible) retreat into welfarism or an administrative command state.

SO WHAT IS A DEVELOPMENTAL STATE?

Here are some points of reference: neither minimalist nor maximalist the idea of the developmental state tries to break away from a simplistic debate between the minimalist and the maximalist state.

The state has a critical co-ordinating, strategic role in all aspects of society, including, of course, the economy. The developmental state carries out this role, not so much through a monopoly of ownership (of the commanding heights), or a monopoly of resources, or through detailed central planning. Nor, however, does it renounce public ownership or planning or welfare provision but all of these are seen in terms of their strategic capacity to unlock and lead other forces/resources/energies into a broader developmental effort. a shift from governMENT to goverNANCE this is not just a new semantic fad.

In speaking of a developmental state, we are shifting away from an exaggerated state-centredness to stressing partnerships, from structure to relationships, and from blue-print planning to process. in the context of our particular transition, this approach to the state also underlines why we need to be thinking about the transformation/restructuring of the state and state assets, and not just on the "transfer of power" the mere inheriting/capture of existing institutions, structures and plans. but what class content does the developmental state have? It is important to raise this question clearly. In some of the academic literature, states associated with the so-called "Asian Tigers" (or the Newly Industrialised Countries NICs) are referred to as "developmental states".

Most of the features of a developmental state noted above are indeed associated with the NIC states. There are important lessons to be learnt from these cases, and the examples are very useful for the purposes of rebutting the neo-liberal consensus. However, the NIC states are modernising, without necessarily being progressive, while developing partnerships, these have been predominantly towards an emergent national bourgeoisie. They have been associated with authoritarianism, anti-worker and student measures, and the massive destruction of the environment.

So, we are, in the South African case, not talking about just any developmental state, but about a progressive developmental state aligned to a progressive/worker dominated movement (which does not mean that we should forego partnerships and interaction with capital). Within this progressive version of the democratic state other factors also become important, including the critical role of elected representative structures (legislatures), and of different levels of government. The last several paragraphs obviously connect in a very direct way to the second theme that we propose requires greater elaboration:



BUILDING A POPULAR MOVEMENT FOR TRANSFORMATION

The precondition for an effective and progressive developmental state is the complementary existence of a broad popular movement for transformation.

There are many strands within such a broad popular movement, including: Strategic trade unionism.

Within COSATU our comrades are grappling with the challenge of placing the union movement on to a more strategic and transformational footing, where trade unions do not just lock themselves into narrow working class struggles, but also seek, with government and other popular forces to actively set a transformation agenda.

There are a whole range of other related topics: rebuilding organisation. The organisational well-being of our various, extra-governmental formations, the coordination and tensions amongst us, the relationship between the constitutional structures of the ANC (and its broader alliance) and government and legislatures, the whole "political centre" debate. the emergence of relatively new MDM formations (e.g. a host of co-operatives, the Homeless Peoples movement), the potential of reforging links with popular formations that we have more or less neglected/lost sight of over the last six years (e.g. the progressive religious sector); and the ongoing relevance of existing structures. the Masakhane campaign how do we/should we help to re-define it more towards a people-driven, popular movement for transformation idea. the RDP Council structure is it working can it be a helpful component for a popular movement for transformation? the role of government in facilitating and resourcing a popular movement for transformation.

It is clear that, at the end of the day, a powerful, mass based ANC is the key and core formation within a popular movement for transformation. It is also an effective ANC that will best be able to ensure dynamic liaison between a popular movement for transformation and a developmental state.

Conclusion

The issues we have raised above are all connected. We need to build a developmental state and a broad popular movement in the context of the National Democratic Revolution in which we are engaged. These tasks, in turn, require a complex understanding of power. What we are seeking to do in South Africa at the end of the 1990s is, in many ways, something very pioneering. We will succeed only if we draw strength from our own incredibly rich struggle traditions, and only if we constantly renew our thinking through collective learning and debate.

DEVELOPING A PROGRAMME OF ACTION TO DEAL WITH KEY CHALLENGES AT A GRASSROOTS LEVEL

Based on an input by Cheryl Carolus



Introduction

The political context of the phase that the ANC is presently in is outlined in the papers on the National Democratic Revolution (NDR). At the national level the objectives of the ANC are clear. There is an understanding of the forces that affect the ANC and what strategies should be adopted to move forward. The challenge now is to develop a clear picture at the local level that will ensure that the ANC achieves its strategic objectives.

The organisation needs a carefully worked out strategy and programme for transformation and the transfer of power. It is important to remember that it is at the local level where the real contact between people and the ANC begins.

Outline of this Paper

This paper looks at the following issues:

- 1. The state of the organisation and role of branches in the previous phase
- 2. Operational problems in the organisation that affected the ANC's objectives in the previous phase
- 3. Our visions for what we would like the ANC to be by 1999
- 4. The ANC's program of action for the next 12 months

1. The state of the organisation and the role of branches in the previous phase

The major objectives of the ANC during the previous phase were:

1.1 Recruit and sustain members

The ANC recruited more than 1 million members but had no programmes in place to keep new members active in the organisation.

1.2 Win Elections

The ANC won elections in 1994 and 1995, but only half the voters who voted for us in 1994, voted in 1995. In the Western Cape and KwaZulu/Natal in 1996 voter turnout was even worse.

1.3 Ensure that ANC objectives are achieved through participation in local issues, campaigns, forums, RDP events

In the previous phase local participation was successful in some areas, but in other areas it was unclear and not consistent. However, the ANC failed to implement a coherent campaign around issues such as Masakhane.

Before the 1994 elections, the ANC was at the forefront of starting campaigns and setting up community forums. It did this with the specific purpose of extending its influence and becoming the leading thinker in the fight against government. Today these forums need to be redefined in terms of resource mobilisation and delivery.



The ANC must be clear about what it wants to achieve from these forums.

Does the ANC want to simply mediate between organised and powerful interest groups (such as business or government)? Or does the ANC want to use these community forums to mobilise and represent its supporters?

The history of the ANC since the 1980s shows that we can organise and mobilise communities around local issues. During the 1990s negotiations and mass action against the apartheid regime strengthened the ANC but also weakened the culture of organising and mobilising at local level. In the current period, we need to rebuild this culture in terms or our current objectives of transformation and delivery.

2. Operational problems in the organisation

2.1 Internal Problems

- The ANC had no clear programme of action that ran from branch to national level.
- The provinces did have programmes but they were not implemented or carried out in a coherent manner.
- There was a lack of information on policy matters and no effective communication networks.
- There were no clear channels of co-ordination and communication between the various levels (branch, provincial, national).
- There are different structures with little clarification of specific roles. This leads to gaps in some tasks and duplication in others.
- The role of ANC departments in terms of branch contact and building the organisation needs to be clarified.
- Clear relationships between the ANC, the Alliance, MDM partners, SANCO and some traditional leaders do not exist.
- Branches are negatively affected by the continual loss of experienced people to other structures. There are new faces all the time, and little continuity with leadership.
- Internal conflicts hamper the organisation at branch level. We have to learn to manage differences in a positive and constructive way and to deal efficiently with conflicts.

2.2 Problems in the Community

- Conflicts over resources and confusion between the roles of local development forums and councils created problems for the ANC. Community members must be given clarity over such issues.
- A further problem is that the ANC is not very visible in many areas. A key challenge now is to work out clear tactics to increase the organisation's visibility.

2.3 Problems with local Councilors



- Communication problems between councilors and the provincial legislature slows down progress. In addition there is no clear understanding of the roles and functions of councilors.
- There is a poor relationship between branches and councilors.
- The ANC needs to clarify the roles and mandates of the ANC caucus. It should also encourage public participation and joint strategising.
- There is also lack of support for local councilors. The ANC needs to assist them in accessing specialist information, training and so on.

Key questions for the ANC

- How does the ANC develop a clear programme and vision at branch level to make the organisation an effective and visible force?
- How best can the ANC set up a clear and coherent system for the flow of information between branches, regions, provinces and head office?
- How can the ANC manage conflict constructively and maturely and harness all forces in a local area around local development programmes, projects, and campaigns?
- How can the ANC effectively implement accountability and support our councilors?

3. Vision of the kind of organisation we want to be by 1999

3.1 Key Objectives

Our Key objectives remain: participation and involvement of the people in building a better life for all transfer of power to the people of South Africa building a non-racial and non-sexist society For the ANC to be the main force of change and development we have to become three things:

- 1. A coherent force for development in each community.
- 2. A movement with a broad base, in touch with our constituency, and able to involve people in the processes of change and development.
- 3. A streamlined and coherent organisation with a single, clear channel of communication and a core of politically clear and organisationally skilled cadres on the ground.

3.2 A vision for our branches

We have to define the role of our ANC branches as a mobilising force in the local community, actively engaging with the community, the councils, other sectors and community forums.

Branches need to be able to understand everything about local transformation.

Branches need to be responsive to issues.

Branches must be able to mobilise the community effectively.



Provincial programmes of action must focus much more on local transformation and must give much more support and resources to branches.

In order to broaden the base of the ANC it is important that we understand the different sectors and interest groups among our members and supporters.

We have to create opportunities for involvement that go beyond sitting in branch meetings and listening to reports.

We need to be creative and move away from narrow visions of activism. Branch executives must not just view their responsibility as organising members, but also as building an ANC presence in the broader community.

The responsibility for organising the unorganised, building civil society and strengthening the MDM lies with them.

Branches have to be a link with government - at least in terms of providing information to people on the ground and ensuring accountability. This is especially relevant for local councils, but we also have to creatively use our constituency offices.

Branches have to develop clear programmes to ensure that community involvement and consultation occurs, that councilors are accountable to the community and that communities play an important role in prioritising and implementing development plans.

3.3 Strengthening the organisation

In order to achieve this vision for the ANC, it is important that we begin to work on eliminating our weaknesses and strengthening the organisation as a whole.

A major problem in the ANC is that structures are confused about what their areas of responsibility are. There is also a lack of sharing information throughout the different levels.

There is no single ANC structure or system that everyone understands and sticks to. For example, a particular branch may be visited by a member of the PEC, a regional organiser, an RDP representative, and a local government co-ordinator. Each will have his or her own programme and their own priorities and demands. There is no co-ordination around who visits the branch and for what reason. Often a visitor only addresses one or two individuals from the branch, meaning that other branch members do not get filled in. This is all the result of there being no clearly developed coherent programme for the entire organisation.

Some systems that would help in this regard include:

• A monthly information bulletin approved by the NWC that covers the main political and organisational issues and programmes. Provinces can add inserts. This should reach all branches through the Regional Offices or organisers.



- A monthly report from branches that has a standard format and is quick and easy to collate and interpret. Apart from giving the higher structures a clear picture of the work being done, such reports could also be the main channel for requests and problems to be reported to the Province.
- Organisers should be seen as the main support system for branches and they therefore need a realistic number of branches to work with. Communications management and information analysis has to be taken very seriously and should be the ultimate responsibility of the Provincial secretaries.
- To become a streamlined organisation we have to develop a clear political approach and programme backed up by a political education programme that puts the politics back into the ANC and a training programme that gives cadres the capacity to implement our vision.

4. The ANC's programme for the next 12 months

The NEC workshop held on 18 May made proposals for a programme of action for the following:

- Campaigns
- Strengthening councils
- Local Development
- Developing structures and communication

4.1 Campaigns

Two key campaigns were decided on for the next 12 months. They are Masakhane and crime prevention. Both campaigns would have national, provincial and local components. The following points are important for the local level.

Masakhane

This should be the key campaign run by branches together with LDFs and councilors to ensure sustainable delivery of services that are paid for by users. Local campaign strategies and methods should be developed to encourage a culture of civic responsibility.

The main thrust of the Masakhane campaign should be participation and delivery, rather than simply getting people to pay for services.

Anti-Crime

At branch level, the ANC should participate in Community Police Forums, or initiate them where they do not exist. Forums aim to make the police more accountable and responsive, but also aid in raising the status of the police in the community. Community and police partnerships have to be built to fight crime effectively.

An anti-crime campaign should also have a broader focus of mobilising the community to fight against crime and the causes of crime. All of the ANC's campaigns must have the additional aim of nation - building. We need to mobilise our people behind the new



patriotism that helps to build shared values and to overcome the divisions of race and ethnicity.

4.2 Strengthening Councils

Much of the work that needs to be done to support and strengthen ANC councilors is at the national and provincial level, in terms of technical and political support and training, and legal reform.

At a branch level our programme of action should contain the following:

- Building a clear relationship between our ANC structures and the ANC caucus in council
- Regular report-back meetings by ward councilors to their constituencies
- At least one community consultation meeting to discuss budget priorities with councilors
- Active involvement of the ANC branch in the LDF where councilors should also be represented

4.3 Local Development

Local development forums (LDFs) are the best vehicles to build community participation and consultation for local development programmes.

LDFs should be set up in each area, and where possible the borders should correspond with council borders.

All stakeholders and interest groups should be represented on an LDF, including councils, community organisations, and business.

The ANC branch should play a leading role in setting up and participating in the LDFs.

The programme of action of an LDF should contain the following:

- Identify and draw in other interest groups.
- Do a proper community needs assessment and identify key problems and possible development projects.
- Assist the council to develop a long-term development programme of action for the area.
- Set up relevant sub-committees or project teams.
- Invite councilors, MPs, MPLs and other officials to present proposals and discuss development.
- Run the Masakhane campaign.
- Create a culture of responsibility so that all feel responsible for the well being of the community.

4.4 Strengthening branch structures and communication

The main focus of branch work should be development and delivery in the area.



At the same time we need to act as a link with government, a source of information, and maintain an elections capacity.

The branch should see its role in terms of three areas:

- The BEC Relates to other levels of the ANC, plan and administer, develop cadres
- The members Attend meetings, support ANC campaigns
- The community Votes for the ANC, participate in campaigns and consultations

In each of the three areas we must be clear about our aims and programme of action.

The BEC should take responsibility for developing a clear programme of action that aims to achieve the following:

- Keep the members active by making branch meetings politically informative and exciting by running projects and campaigns that involve branch members in work in the community
- Keep the ANC profile in the community high by actively participating in local campaigns, forums and development issues
- Run the national ANC anti-crime and Masakhane campaigns
- Act as a link with government for the community by organising reportback meetings, consultations and forums for councilors, MPs and MPLs
- Keep proper records of members and supporters to build the organisation and our ability to win elections Effective communication and reporting between local, regional, provincial and national levels of the ANC.

A CONTEXTUALIZATION OF THE MACRO-ECONOMIC STRATEGY

Based on a paper by Andrew Feinstein

This input is an attempt to contexualize the recently released macro-economic strategy of national government.

Introduction:

In engaging on the Macro-Economic Strategy (also known as <u>Growth, Employment and Redistribution Strategy Gear</u>) released by national government earlier this year, it is important to have a broad picture of the world in 1996 and to locate South Africa within that picture. It is then useful to assess the options open to our policy-makers before examining the route they have chosen. Discussion around the economy will always be vigorous. Some of the key questions raised in meetings thus far are, therefore, listed and brief answers given, where appropriate.

The World Economy in 1996



The world economy in 1996 is dominated by the free market more than ever before. This does not imply that the capitalist system has won out over its rivals, but rather that we are at an historical point where the free market system is the dominant choice.

The absence of victory parades for the free market is due to the reality that the world economy is characterised by stubborn unemployment, ever increasing inequality and the poverty of at least one-third of the world's people. From this it is clear that policy-makers have not discovered the magic formula that will secure prosperity for all in an ever more just world. However, this does not diminish the reality that the only nation presently outside the world economic system is North Korea whose economy is so close to collapse that their government recently had to accept \$1 million in aid from their arch-enemy, the USA, just to be able to feed their population.

The late 1990's are characterised by a situation where; trade dominates the world economy with about \$5 trillion being traded every year; and investment capital, skills and production are more mobile than ever before with capitalists able to produce almost wherever they please and sell almost wherever they please, investing only where returns on their investment are substantial.

The motivation for this massive increase in trade is two-fold; countries do not have, or are unable to produce, everything they require. They, therefore, have to purchase raw materials (such as oil), food, equipment and other goods and services from other countries; and companies don't want to be restricted to a potential market of only their own fellow citizens but want to be able to sell to whoever might want to buy their product wherever they are in the world.

In other words, a South African company wants to be able to sell to the 1 billion people in China in addition to South Africa's 44 million people. In addition, to be able to buy the imports an economy needs, you need the foreign exchange that you earn when selling to people outside your own borders. This has created a situation where companies and countries compete for investment in their own economies (that often creates jobs, provides new technologies and generates foreign exchange) and for a share of international markets.

The South African Economy in 1996

The democratic forces came to power in South Africa inheriting an economy in which the growth rate was stagnant, there was massive unemployment and huge inequalities.

These inequalities created a situation where only a limited number of people can buy more than the barest necessities or pay tax into state coffers.

Due to years of isolation and protection and the reality that a small number of large companies control most of the business activity in the country without any real competition, many of our companies are not internationally competitive, or even produce goods of quality at reasonable prices for our own people.

Our lack of competitiveness is also due to the awful system of education the country had, as well as insufficient investment in skills training in the work-place. Our



management practices are often out-dated and there is also very little worker participation in key company decisions.

South Africa historically has had a very low savings rate. This is very important because savings are needed for new investment. The government is the worst dis-saver in the country, mainly because of unnecessary duplication during the apartheid years and inefficient use of money that was spent.

Individual South Africans also do not save enough of the money they earn, while, in recent years, the private sector has been the biggest source of savings. Our own bad savings record has created a situation where we rely heavily on foreign investment (or the savings of foreigners) to create more companies and factories in South Africa. Also because of poor savings and limited tax revenue the government spends more money than it receives. This is known as the deficit.

During the late years of apartheid the deficit was around nine or ten percent. One of the reasons for this was that apartheid South Africa had to pay a premium price for everything we needed, especially oil. Today the deficit is around 5%.

We spend more than we have by borrowing money. This creates debts which we have to service (ie. pay back not only the original amount but also the interest). At present our debt stands at around R320 billion. During this present financial year the servicing of this debt was our second largest expenditure item, accounting for R28 billion of the budget, and second only in size to our spending on education.

In the next financial year it is likely that it will be the biggest expenditure. Because of our debt situation and the reality that we do not export enough South African-made goods and services we have very low levels of foreign exchange reserves that will cover the cost of about three months of imports. Most countries with an economy similar to ours have foreign exchange reserves that will cover only about three weeks of imports! The danger of this is that we could find ourselves in a situation where we can no longer pay for the oil or factory machinery that we need to keep our economy running.

Our objectives

In thinking about how we deal with this situation we need to clearly restate our objectives as reflected in the RDP. In broad terms we are committed to: creating sustainable jobs; meeting basic needs; engendering greater equality; democratising our society; and ensuring security for all.

The Options

With this frame-work in mind we can identify three broad approaches to the task at hand:

- The neo-classical or neo-liberal approach
- The expansionist or structuralist approach, and
- The East Asian approach.



In simplified and possibly extreme forms these approaches are explained as follows:

The neo-classical/neo-liberal approach

This approach is most strongly associated with the policies adopted by Margaret Thatcher in Britain and Ronald Reagan in America in the 1980's. It is characterised by:

- a defining commitment to keeping inflation low by limiting the supply of money in the economy and by cutting the deficit;
- significant cuts in government spending, particularly on the poor;
- reducing taxes, especially on the wealthy and middle-classes, to promote growth;
- a desirable level of unemployment to keep wages and, therefore, demand and inflation low; and
- a very limited role for the state in the economy.

The Expansionist Approach

The expansionist view characterised the economies of many countries post the Second World War and dominated the thinking of a number of Latin American countries from the 1940's until the early 1980's. The approach includes:

- government playing a key role in the economy by increasing public spending through borrowing during periods of low or negative growth with the intention of increasing employment, thereby increasing demand for goods and services leading to increased production, more new jobs, further demand, and so on in a cycle;
- deficit and debt being seen as necessary during times of low growth, with debt being repaid when there is an upswing in the economy from which government receives increased revenue;
- a fairly high level of inflation as more people can afford to buy more; and
- the development of import-substituting industrial strategies which inform government intervention.

The East Asian Approach

Certain East Asian economies, such as Japan, South Korea, Taiwan, Singapore, Hong Kong, Malaysia and Thailand have transformed their economies into economic powerhouses with massive increases in disposable income and greater income equality for their people.

These success stories have been based on:

- early land reform; enforced saving;
- massive infrastructure spending;
- government intervention in the economy, through an industrial strategy that includes incentives, protection and other forms of support to industries producing manufactured exports; strong anti-union policies; and
- a slim, efficient civil service.



Regardless of the ideologies that might have informed these approaches, there are advantages and disadvantages to each of them.

In the case of the neo-classical approach, the importance of keeping inflation low (thus limiting increases in prices) and ensuring the state doesn't spend money it doesn't have, are positives. However, in some cases, this approach increases inequality, rigidly maintains some unemployment and tends to favour the wealthy over the poor, often creating a marginalised underclass.

The expansionist approach usually includes the objective of full employment and counteracting swings in economic activity through an activist role for the state in the economy. However, in many cases (such as Argentina, Chile, Portugal, Peru and Brazil) the economies boomed for about two years then deficits started to rise, inflation increased (sometimes by up to 1000%) and growth slowed down. This occurred because in trying to pay back the debts on their borrowing, countries often ran out of foreign exchange for essential imports leading to falls in government spending, decreasing wages and massive unemployment. Often this pattern resulted in far worse poverty amongst the group originally targeted in the strategy: the poor. This is known as the Boom and Bust phenomenon.

The East Asian approach created significant employment, prosperity and greater equality. The role of the state in land reform and the economy was very effective. Their anti-union policies undermined democracy.

The Macro-economic Strategy (GEAR) Approach

GEAR is based on the assumption that one of the most important ways to meet basic needs, create greater equality and ensure empowerment is through the creation of sustainable jobs. It, therefore, sets as its objective the achievement of 6% growth in the economy every year and the creation of 400 000 jobs per year by the year 2000.

To achieve this GEAR takes aspects from each of the three approaches to develop a strategy for South Africa that reflects our own unique realities as well as the realities of the international economy as we head into the 21st century.

GEAR is committed to stabilizing the South African economy, ie. ensuring that public finances are in order; liberalising the economy (opening up to the world and creating an environment in which it is easy to do business); and growing the economy through manufactured exports which will create jobs and earn foreign exchange.

This involves:

- 1. reducing the deficit and, therefore, the debt burden so that we can use money for social purposes rather than servicing debt;
- 2. targeting spending on the poor and improving the quality of the spending. (At present South Africa spends as much as successful countries at similar levels of development on health and education but the service provided is much worse);
- 3. slimming down the public service where appropriate and ensuring greater efficiency form the public service;



- 4. developing a comprehensive industrial strategy that will identify and promote those activities in which we can compete internationally, that will create jobs and earn foreign exchange;
- 5. providing tax holidays for investments that create jobs, occur in geographical area of need, involve training of the workforce and promote exports;
- 6. hastening land reform;
- 7. focusing on public and private education and training as the key to economic opportunities and national success;
- 8. lowering interest rates (which is really the cost of money) so that people can afford to borrow money from banks to invest in new companies;
- 9. lowering tariffs and duties on imports so that we can trade more freely with other countries and so that consumers can buy the best quality goods available for the cheapest price available;
- 10. introducing tough competition laws to ensure greater competition in the economy and easier access for new businesses;
- 11. gradually reducing exchange controls so that people can bring in and take money out of the country (which is necessary if we want significant foreign investment and competition);
- 12. attempting to bring down some taxes to provide incentives for businesspeople, while ensuring that taxes are collected better (especially from companies who only pay a small percentage of their intended total tax load);
- 13. restructuring state assets to contribute to paying off the deficit and increasing efficiency through selling parastatals completely, or giving a private sector investor a minority stake in a parastatal that will bring capital and expertise to the entity or keeping parastatals under state ownership but improving the way they deliver their service;
- 14. public and private investment in infrastructure (including schools, clinics, police station, municipal services, roads, etc.) to the tune of R173 billion over the next ten years both to ensure that all South Africans have access to adequate infrastructure and services, but also to provide short-term jobs for 500 000 people, which will provide them with income as well as skills that will make them more employable in the formal economy;
- 15. creating a more flexible labour market, ie. ensuring people get appropriate training, making it easier for people to be employed and enabling movement from job to job as the economy changes;
- 16. ensuring a labour relations environment in which employees are included in key decision making processes, and confrontation is replaced by co-operation and affirmative action;
- 17. promoting small and micro businesses in communities through providing financial and skills assistance through a network of local service centres; and
- 18. focusing social spending on education and training and health and welfare, specifically creating a welfare net for those who require state support (particularly the young, the elderly, the disabled and the long-term unemployed);
- 19. the creation of a social accord between government, business, labour and communities to agree on areas of responsibility and a commitment to implementing them.



From this summary it is clear that GEAR shares the neo-classical commitment to low inflation, fiscal discipline and a competitive economic environment, without shifting focus away from the poor.

It includes a clear commitment to land reform, and efficient civil service and an emphasis on education and exports (not unlike the East Asian approach). Further, the document adopts the more interventionist approach with respect to the creation of industrial policy, massive investment in public works and focusing spending on the poor.

The document makes clear that the only way to achieve our objectives in the present conjuncture is for the state to intervene to guide the market towards these objectives. This is in direct contrast to the neo-classical approach which contends that the state has no role in the economy.

While this approach is pragmatic and informed by what is likely to work, rather than any specific theory or ideology, there are a number of issues that will continue to generate discussion as we chart an economic course. These include:

Why not stop paying the debt of the past regime?

Because over 90% of that debt is owing to South African institutions and if we stopped paying it pension and provident funds, and possibly the financial system itself, would collapse. We would also be prevented from borrowing any new money and would be seen as untrustworthy in the eyes of the local and international investment community;

Can we not adopt more of the expansionist approach without running into the problems encountered in Latin America and Southern Europe?

While recently the Japanese Government has invested heavily using its own money (not borrowings) there is no case where public investment based on borrowing has been able to successfully withstand the problems identified above;

Should the Reserve Bank remain independent, allowing it to fight inflation at all costs?

It is unclear whether we have achieved the right balance between inflation (which is low) and interest rates (which are too high to create jobs). This discussion should continue. However, the Reserve Bank should have a degree of independence to enable it to make what are sometimes highly technical and unpopular decisions. But the relationship between the Reserve Bank and the Department of Finance should be a cooperative one based on consensus on what is in the broad national interest over the short and the long term;

Why remove protection so quickly?

It has been shown that a quick change in protective barriers is often preferable. However, such removal of protection should take place within the context of a clear industrial strategy that would provide retraining for workers retrenched in uncompetitive sectors;



Why not leave all state assets in the hands of the state?

There is no reason why the state should continue to run loss-making, unstrategic companies such as the Aventura Resorts, the abattoirs (Abbakor) or former homeland airlines (Transkei Air). In terms of the National Framework Agreement with Labour, we are assessing whether certain strategic assets require private sector involvement, even sale, on the basis of whether they might better meet their objectives in a different form, while cognisant that we cannot afford to lose jobs in these utilities. Evidence on the success or failure of privatised utilities is mixed.

Each case must be judged on its own merits; The issue of labour market flexibility is a controversial one. The discussion at present is marked by a lack of clarity on exactly what is meant by flexibility, whether it refers to wages, conditions of employment, ability to hire and fire, etc. or all of these.

It is worth noting that there is a school of thought that suggests that the US economy, which has a "flexible" labour market, has created 38 million net jobs over the past two decades, while the European Union, which is seen to be dominated by "inflexible" labour markets, has created no new net jobs. However, also bear in mind that inequality in the US has deepened significantly and that the UK, which has an ever more flexible labour market has been singularly unsuccessful in creating jobs;

Do we not already have structural adjustment IMF-style?

If we had to borrow money from the International Monetary Fund they would impose inflation and deficit targets and prevent government spending money until these targets were met. This is a totally different situation to that which we have now where government makes decisions on spending with the concerns of the poor at the forefront;

Other issues that continue to raise questions are;

Are the redistributive elements of the document sufficient?

If not what should be added?

Is sufficient attention paid to the potential of greater economic activity with Africa, especially Southern Africa?

To what extent must we conform to all aspects of the new global economic order? For instance is a deficit of 3% cast in stone or is there some flexibility?

A key omission from the Macro Economic Strategy is clear time-frames within which the actions proposed will take place.

We must set ourselves targets to be able to assess progress; and There is also an urgent need to communicate the strategy, and the reasons for it, within the ranks of the ANC.



A BRIEF REVIEW OF SOUTH AFRICAN FOREIGN POLICY SINCE APRIL 1994

Based on an input by Raymond Suttner

1. Introduction

Many people often criticise South Africa's foreign policy. Some people say that South Africa does not have a well planned foreign policy. Some say that South Africa does not even have a foreign policy.

Criticisms of South Africa's foreign policy are that it is not properly planned and is not realistic or practical. Some people say that the policy will destroy itself by choosing friends like Cuba, Libya and Iran. This is because the United States of America does not want South Africa to have such friends and the United States is very powerful.

Other people criticise South Africa for being friends with countries that have dictators as leaders.

We cannot simply make excuses for these criticisms. We need to consider where the criticisms come from.

Some of the criticism comes from people who do not want change to take place in the Department of Foreign Affairs and who are trying to slow down the process of transformation. This group wants to keep privileges for a narrow set of interests.

Others believe that change is not taking place fast enough. The suggestion that there may not be a foreign policy at all in South Africa needs to be taken seriously. Of course there are day to day decisions that are taken in the foreign policy department.

But what we need to question is whether there is a foreign policy that is chosen after long term planning that then guides the day to day decisions that are made. There is the broad support for human rights, peace, justice and so on. But there is no clear framework set up to ensure that broad strategic objectives are realised.

2. Who are the main actors in foreign policy, and how are they co-ordinated?

One of the main difficulties in developing a coherent foreign policy in a country is that there are a number of actors involved who have their own particular interests in what policies should say. These actors also have different amounts of power. This leads to a situation where little co-ordination is possible.

2.1 Governmental Actors

2.1.1 The State President

The State President is the most powerful actor in foreign policy. However, the State President is not part of every decision made around foreign policy. In South Africa it is



not clear exactly how the office of the State President relates to the foreign policy structures. It is not clear how the foreign policy structures advise the State President before he makes any decisions on foreign policy. In other countries there is a structure that advises the President on foreign policy matters.

2.1.2 The Minister of Foreign Affairs

The Minister of Foreign Affairs is supposed to be the main decision-maker on foreign policy matters. However, the Minister is limited by a number of forces. The present programme of the Minister means that he is out of South Africa, visiting other countries, more than he is here. This means that he has no practical day to day control over what is happening in his Ministry.

2.1.3 The Department of Foreign Affairs

The Department of Foreign Affairs services the Ministry of Foreign Affairs. This is a large department made up of a number of 'desks'. These desks are made up of people who have special knowledge on a particular subject.

The Department of Foreign Affairs still has many conservative staff members, who are mainly white and are part of the old apartheid structure. Whilst the thinking of the department may have changed in principle, at the day to day practical level it is still very conservative.

Policy places emphasis on a limited trade-based conception of national interest. As the department likes to say: "Foreign policy is trade, trade, trade". This is a problem because foreign policy is about much more that simply trade. International relations that exist in terms of the economy are much more complicated. (Have a look at Rob Davies' paper in this booklet which spells out these complexities).

Although the department places so much emphasis on trade, it is not clear whether it even has enough skills to deal with issues like trade agreements or to challenge the existing trade norms and governance of the global economy. The main concern of the Department of Foreign Affairs appears to be 'nice' to all countries and to introduce South African business to potential partners abroad.

The character of the Department of Foreign Affairs is crucial because on a day-to-day basis the Minister cannot be expected to be an expert on every issue that arises. Important decisions and policies will be based on the advice of desk officers within the department.

The appointment of four ANC people as Deputy Directors General is an important and positive development, though it is to be balanced against their being surrounded by hundreds and hundreds of old-style bureaucrats and diplomats.

2.1.4 Other Government Departments



Apart from the President's office and the Department of Foreign Affairs some other departments make important decisions and interventions that impact on Foreign Policy. These include:

The Department of Trade and Industry (DTI)

Many of the trade policies made by this department affect foreign policy. For example, Zimbabwe, Zambia and other states complain of tariff walls and this may negatively affect South Africa's reintegration into the sub-continent.

The Department of Home Affairs

The policies or approach of Home Affairs with regard, for example, to cross border migration (people from neighbouring countries coming in to South Africa), has not been entirely friendly. This could seriously destabilise neighbouring countries and may make South Africa appear to be Xenophobic, that is to fear or dislike foreigners.

Other departments that make decisions and interventions that impact on foreign policy are Defence, Health, Safety and Security and the recently established committee on arms sales, NCACC. However, despite the significant impact that some decisions taken in these departments has on foreign policy there does not seem to be any clear mechanism that co-ordinates all interventions affecting foreign policy matters.

2.2 Non-Governmental Actors

2.2.1 Parliament through the Portfolio Committee on Foreign Affairs

In the past, parliament did not play any role in making foreign policy. The new portfolio committee has been working to monitor what the Department of Foreign Affairs does as well as help with the process of foreign policy making. So far it has not been very successful with either of those two tasks. Its contributions are very general. It also deals more with immediate issues rather than long term planning. Also, its input is limited because often a decision is taken before the committee even gets a chance to meet. Part of the portfolio committee's problem is that it is still new and regular structures are not properly in place. With time it may develop into a very important structure.

2.3 Civil Society

2.3.1 The ANC/SACP/Cosatu Alliance

The ANC through its NEC subcommittee on international relations is trying to make lots of inputs into foreign policy. The influence is from behind the scenes but seems to be a promising development. Cosatu and the SACP have more independence over government than the ANC. They may be in a better position to fight for positions more vocally than the ANC and the ANC in government can. For example, at present the ANC-led government has not yet implemented positions on some areas of policy such as Western Sahara and China. Why can't the SACP and Cosatu question why there is a delay and put forward strongly the Alliance proposal for such policies?

2.3.2 Other organs of Civil Society



Although many are concerned that foreign policy should be a public concern and that the public should input on foreign policy, there has not been regular and consistent involvement of civil society in this regard. The hanging of Ken Saro Wiwa and others in Nigeria was an occassion when civil society became highly mobilised around foreign policy issues. Many people were very angry about South Africa's silence on the issue. This 'quiet diplomacy' evoked a massive public outcry concerning our foreign policy over Nigeria. This led to the creation of a foreign policy group called the SA Nigerian Democracy Support Group which received a lot of support. There is also a Cuban solidarity movement which is well established and which makes inputs on any foreign policy affecting Cuba. In addition, there is much public involvement over the China debate.

2.3.3 Foreign actors who have considerable impact on SA foreign policy

We should consider whether some foreign actors influence South Africa's foreign policy. Is this not the case with the European Union (EU)? The USA? What is the level of influence of the Southern African Development Community (SADC)?

Multilateral Relations

The apartheid government was excluded from most multilateral organisations. A multilateral organisation is one to which more than two countries belong. A multilateral agreement is one to which more than two countries agree. The apartheid government's foreign policy was primarily bilateral. This means that agreements only existed between South Africa and one other country.

Multilateral organisations did not allow the apartheid government to join them. Multilateral organisations to which South Africa now belongs are the United Nations (UN), the Organisation of African Unity (OAU), and the Southern African Development Community (SADC). It is important that ongoing training and re-training of South African representatives to these bodies occurs so that they can clearly put forward our position on important international issues. In our foreign policy we need to be clear on which issues to push strongly and which not.

Problematinc Issues human rights

Human rights is an important principle in the 1993 (revised 1994) policy document on foreign affairs. On 16 May 1996 the Minister of Foreign Affairs said that:

"Since South Africa itself has been the scene of grave abuses of human rights...we have vowed to play a leading role in the promotion of human rights and democracy internationally..."

But the Ministry and the Department of Foreign Affairs come under a lot of criticism for not doing enough to advance human rights in foreign policy. Some say that this criticism is not fair. How does one manifest a commitment to advancing human rights in foreign policy?

Firstly, one must be clear on what the human rights situation is.

Secondly, it must be clear that it is an international and not a purely domestic matter.



Other countries or international bodies cannot simply intervene into the domestic affairs of a country. Much of the battle in the world today is to internationalise the human rights practices of countries so that human rights abuses could be limited or stopped.

It is also very important not to only accept liberal, democratic notions of human rights, which emphasise a limited number of issues such a multi-partyism and freedom of the press.

We need to place importance on other issues such as

Self-determination.

Self-determination means the ability of a nation to rule itself. It is important to see the difference between human rights violations that occur occassionally due to the actions of one particular official or administrative action and the systematic human rights violations that occurred in the case of apartheid. A country needs to take a position on such violations and then consider what it can do about it. It is not often possible to actually physically intervene due to lack of resources and other constraints.

The simple way that some people show that they do not agree with a human rights abuse is to speak out against it. Another method is to suggest that SA should not have or should break off diplomatic ties with countries where human rights abuses occur. Such countries include: Indonesia, Sudan or China.

Breaking off diplomatic relations with South Africa was something that many countries did during the apartheid era. This was a successful strategy that other countries used to condemn apartheid.

There is no doubt that Indonesian genocide (deliberate mass murder) against East Timor is a crime against humanity that can certainly be compared to the atrocities of apartheid. There has been some effort to stop this. However, up until now South Africa has not played a big role in bringing the abuses in Indonesia to an end. This is because at present there is no international campaign of states of which we can be part. This still has to be built.

What about the question of Sudan? South Africa needs to consider in light of the human rights abuses occuring there, what our relations should be. Should we break of diplomatic relations, and what would the effect of that be? If we do not break ties, is there anything else we can do to raise concerns about human rights violations? Do we monitor development and report on these to any structure? If so, what is done with such reports? In short, what meaning does South Africa's commitment to human rights have if we do not do any of these things? How else can we show our committment?

De-ideologisation and Universalism

There will always be parts of our foreign policy that some people will not like. It is important that we can defend these parts, such as our relationship with Cuba; our being part of the non-aligned movement and the south. This is a partisan foreign policy, a democratic foreign policy, a foreign policy that is biased towards advancing development, defending self-determination and sovereignty. Yet this policy is



contradicted by an often repeated commitment to the de-ideologisation of foreign policy.

The de-ideologisation of foreign policy means that all nations are treated equally regardless of what their type, nature, human rights records or socio-economic situation is. This policy places emphasis on universalism. It seeks to maximise the number of countries with which one has good relations. To do this it has to dilute criticism of individual countries or the global environment. Practicalities become more important than principles.

De-ideologisation and universalism do not form part of any ANC document. They are not ANC principles, yet many believe that South Africa's foreign policy has been de-ideologised and that the principle of universality is being applied to international relations. The principle of universality appears to be the desire to be well liked and received by all, and that this is the best way to advance South African interests with regard to foreign Affairs.

ANC and Government Interests in foreign policy

It is easy to simply think that the foreign policy of the new South Africa and the party political concerns of the ANC are the same thing.

The government must work hard to make sure that a separation is made. For example, South Africa's relationship with Cuba is linked to the fact that the ANC owes much to Cuba for its assistance during the apartheid years. The government must not allow this narrow approach to be the main one. The question of the relationship with Cuba must be explained as a special relationship, relating to the role that the Cuban people have played in liberating the subcontinent, a debt that the entire South African people owe to them.

It is not purely an ANC matter, but a debt owed to all freedom-loving people. In the same way the writing off of Namibian debts is seen as a result of the SWAPO-ANC friendship. The Taiwan/China question is seen in the context of previous support to the ANC. Again, the question of Taiwan/China must be decided by weighing up what is important to South Africa as a whole, not the ANC alone. And it must be clearly understood that this is what foreign policy is based on.

Conclusion

South Africa needs to be clear as to where it locates itself in the world. It must be clear why it develops relations, for example, with the South. Is it simply because of some principle, or are there objective reasons to align itself with the developing world? Foreign policy cannot be free from ideology. Our foreign policy will be based on choices that are affected by various alliances, our place in the world, our self identity and other things. We must not be blind to this reality.

TRADE DIPLOMACY AND FOREIGN POLICY:



WHAT APPROACH SHOULD SOUTH AFRICA TAKE IN A GLOBALISING WORLD ECONOMY?

Based on an input by Rob Davies

This paper argues that there is an urgent need to develop a perspective on South African trade diplomacy. In developing this perspective, two issues must be taken into account:

South Africa has to ensure that it has terms that benefit the country in existing international structures and arrangements.

But South Africa must aim to become a force acting together with others to struggle to change the global environment in ways that benefit working people generally, and the people in peripheral and semi-peripheral countries in particular. This need is recognised in government and some efforts are being made.

This paper reviews some of these efforts and outlines the lessons that can be learnt from the experience of governing since 1994.

1. Introduction

Any discussion on foreign policy recognises that the world has gone through massive changes in recent years and is still changing. The collapse of the Soviet Union has resulted in a world that is unipolar. There is no longer any alternative bloc of socialist countries around which developing countries could, to some extent, structure their trade, aid and investment relations.

At the same time as any alternative bloc has been removed, there are powerful forces of globalisation and liberalisation that have emerged and are changing and reshaping the world's economy.

The reshaping of the world's economy raises important questions about the place of economic issues in foreign policy. It is conservative and economistic to talk about foreign policy as trade, trade, trade. This kind of attitude tries to make matters of principle in foreign policy secondary to a search for trade across the globe. This perspective states that the task of diplomacy is to have good relations with everyone.

Diplomacy must not risk offending potential trade partners by either raising matters of principle in bilateral relations or by taking a strong stand on issues of multilateral global governance. Trade issues need to be linked much more closely with foreign policy issues.

This understanding raises important questions: What is the place of trade issues in South African foreign policy? What kind of trade diplomacy should South Africa be undertaking? What strategy and tactics should be used? What lessons can be learnt from the limited period since the 1994 elections? In order to discuss these questions, it is first necessary to distinguish between trade diplomacy and trade policy.



Trade Policy

Trade policy has to do with domestic, internal arrangements that help to promote trade. Trade policy is concerned with issues like tariffs, exchange rates, export incentives etc.

Trade Diplomacy

Trade diplomacy has to do with the efforts made by a country in the external or foreign environment. Trade diplomacy includes bilateral and multilateral trade negotiations between various countries. Through trade diplomacy, countries try to shape and influence the global environment.

2. Globalisation, Liberalisation and the emergence of a Rules-based Trading System

Any trade policy needs to be based on an understanding of the global environment. In the world today, this means understanding the significance of globalisation, liberalisation and the emergence of an internationally regulated rules based trading system.

What is globalisation?

There are two perspectives that define globalisation: The first shows globalisation as a technical thing that involves a process where a "communications revolution" is creating a "global village". The second is that globalisation is nothing really new. It is seen by some on the left as simply imperialism in another form.

Both of the perceptions are not adequate to understand globalisation. The first focuses in a shallow way on certain technological changes that have come with globalisation and help move globalisation forward. It fails to understand the more fundamental changes in international economic relations that globalisation has already brought about and is, at the same time, continuing to change.

The second perspective correctly understands globalisation as part of the capitalist mode of production in its imperialist stage. However, this perspective fails to understand the specific issues that make this phase of globalisation different from earlier phases in the development of a capitalist world economy.

Globalisation must be understood as a process aimed at progressively integrating national commodity, capital and financial markets into a single global market which operates according to a universal set of rules. Globalisation is being driven by transnational corporations, multi-lateral institutions and governments of advanced industrialised countries. Those countries which are today the dominant forces in the world economy, together with the new, successful entrants into the world economy are trying to move beyond their national markets and operate on a global scale. Globalisation today has come with the introduction of new technologies like information technologies (info-technologies), which have transformed global communications.

The interest of global capital in the world outside its national borders has moved away from its focus on ensuring supplies of cheap raw material. Global capital is now much more concerned with breaking down barriers so that commodities and capital can move



freely across borders. With globalisation comes increasing demands for the free movement of commodities, finance and capital across the world.

What is liberalisation?

Closely linked to globalisation is liberalisation. Liberalisation is linked to the process of removing barriers so that commodities and capital can move freely. Through liberalisation, national regulation is replaced by global regulation.

The less developed countries are liberalising or removing barriers faster than the more industrialised countries. This is happening even though it has been shown time and time again that liberalisation without first developing enough capacity to operate in global markets leads to de-industrialisation and undermines the productive capacity of less developed countries.

Advanced industrialised countries pressurise developing countries to liberalise to a degree that they themselves have not been willing to implement. The way in which they are pressurised is through structural adjustment programmes (SAPs) and convincing the elites of developing countries that a neo-liberal world view is the way to go.

Liberalisation is the process of replacing national regulations with global regulations and removing trade barriers to allow for the free movement of commodities and capital across the world. The process of globalisation and liberalisation does not benefit a country like South Africa. The world is defined according to winning and losing nations based on whether their economies are successful or not. Many countries in Southern Africa and on the continent of Africa as a whole are doomed to remain "losing" nations.

What is an internationally regulated rules based trading system?

An internationally regulated rules based trading system is linked to globalisation and liberalisation. While deregulation happens at a national level, regulation is happening at a global level.

Regulation at global level happens through various international agreements that have been reached between countries.

Important steps in this process were the Uruguay Round of the General Agreement on Trade and Tariffs (GATT) and the establishment of the World Trade Organisation (WTO).

The Marrakesh Agreement introduced a set of rules that must be enforced internationally. These rules are aimed at ensuring that tariff reductions are implemented. In addition to tariff reductions, the Marrakesh Agreement includes: Trade Related Investment Measures (TRIMS) and Trade Related Intellectual Property Measures (TRIPS). TRIMS and TRIPS extend international regulations to areas like investment policy, financial sectors and patent law enforcement.

Developed countries insisted on TRIMS and TRIPS being included in the Agreement. The G7 countries have given notice that at the next WTO meeting in December, they will press for a new round of tariff reduction negotiations and begin discussions on a



Multilateral Investment Agreement that would ensure that all countries give the same conditions to foreign investors as they provide for their own citizens.

These developments have serious affects on all countries and people, especially those in the periphery and semi-periphery of the worlds' economy. The boundaries between domestic and foreign policy have been blurred by these developments. Domestic policy is being defined and constrained by developments in the world economy.

3. Options for trade diplomacy

The question that needs to be asked is: What is the correct policy response for a country like South Africa? There are two responses to this question.

The first response is:

South African capital together with international financial institutions, have argued that the only option is to accept the global environment as a given reality. We must focus our efforts on changing the domestic economy to fit the norms of that reality. We have to work hard to become a "winning nation" in a competitive world.

This perspective calls for trade policy to be actively worked at while trade diplomacy is passive. Trade diplomacy has to be limited to finding market opportunities in the world as it is. This perspective does not try to challenge any structures, institutions or rules.

The problem with this perspective is that the global environment today does not have an equal relationship between all countries. Some countries are rich and others are poor. Some countries have developed economies, others have underdeveloped economies. Even within the economies of different countries, there are some people who have more access to the economy and others who do not have any access at all. The perspective of South African capital regarding globalisation does not look at how this affects South Africa as a whole.

The Newly Industrialised Countries NICs

Part of the perspective of the above is that the new global environment is a source of great opportunity for all. The only thing that needs to happen is that countries change their domestic policy to suit the global economy. It is assumed that all peripheral and semi-peripheral countries can be like the NICs if they make the correct domestic policy decisions. However, the global environment is quite different now to how it was when the NIC's achieved export led growth.

The NICs economies grew during the period of the Cold War when these countries were strategic for the West. They were therefore given preference in terms of their access to the major markets of the west. They were not pressurised by the west into liberalising their economies until they had built up their own domestic economy and industrial capacity.

Less developed countries today are not given the option of developing their own economies. They are being pressured to liberalise their economies even if they do not have capacity. For South Africa to have access to the major markets of the developed



world, we would have to make huge adjustments to our domestic economy. These adjustments can have serious impacts on our own people as well as the people in the Southern African region.

The Pressure that we are Under

An example of the type of pressure that South Africa faces:

The South African government has requested membership of the Lome Convention so that our country can have better terms for our exports to the European Union (EU).

A counter-proposal to this is that we negotiate a bilateral Free Trade Agreement (FTA). This FTA has been presented as an attempt by the EU to meet South Africa's need for more access to the European market. However, the EU is negotiating a tariff reduction policy between the Union and South Africa that would reduce tariffs to zero over a ten year period.

Calculations have shown that this would mean that the EU would remove duties on 7% of its imports from South Africa, while South Africa would remove duties on 40% of its imports from Europe. This reduction would have massive implications for South African industry and agriculture. It would also seriously disadvantage South Africa's partners in the Southern African Customs Union (SACU) who would have to compete with European producers.

Under such circumstances, a passive approach to trade diplomacy is a luxury South Africa cannot afford.

The second response to the question that was asked:

South Africa needs to recognise that globalisation and liberalisation have created two important issues that we need to look at. The first is that we have to find new ways to struggle to protect domestic policies and our own national independence.

Secondly, South Africa has to actively engage in the international arena to make sure that our opportunities are the largest they can possibly be within the existing norms and structures and at the same time do our best to become an active force that will help bring about changes in the global environment that will benefit our own country, Africa and the South in general.

4. Experiences that we have had and the Lessons that we have learnt

We have had much experience of trade diplomacy since before 1994. Since 1994, government has been involved in trade related negotiations with a number of countries. Within the Southern African region, the renegotiation of the Southern African Customs Union (SACU) agreement and rules for trade for the SADC countries have been ongoing for some time. There have been the EU negotiations and recently South Africa hosted the ninth United Nations Conference on Trade and Development (UNCTAD IX). South Africa has the presidency of UNCTAD for the next four years.

Lessons

Some important lessons have been learnt. One lesson is that because South Africa



produces less than half a percent of the world's Gross Domestic Product (GDP), it can only be an effective force if it acts together with others.

The search for alliances is therefore critical. It is at this level where issues get complicated. The world economy is polarised with the advanced capitalist countries forming a relatively solid and coherent bloc.

The South, on the other hand, has become increasingly fragmented. This was evident in preparations for the UNCTAD IX conference where there were different positions between peripheral and semi-peripheral countries. The most marginalised countries wanted the pace of liberalisation to slow while the semi-peripheral countries wanted to extend their own access to markets by pushing the marginalised to liberalise faster. Beyond this difference lies the deeper question of the class character of the governments of many less developed countries.

A number of these countries have introduced Structural Adjustment Programmes (SAPs). Some countries see SAPs as external impositions, while others are based on domestic alliances that benefit from the neo-liberal agenda. Therefore, in the context of globalisation and liberalisation, forming alliances between those who ought to be "natural allies" has not always been easy.

There are many weaknesses in South Africa's approach to trade diplomacy. One of the weaknesses is that the issues which concern trade diplomacy are seen to be technical issues that can only be dealt with by technocrats and specialists. They are not viewed as matters of critical importance to government as a whole and to broader civil society.

A more effective trade diplomacy would need at least the following:

We need to ensure a greater awareness of and promote broader participation in the development of positions to be taken up in terms of our trade diplomacy. This must be based on a recognition that the issues being addressed often have very serious implications for our people.

We need to build alliances and links not just with other governments of countries of the South, but also with a broader range of progressive forces in both developed and less developed countries, like trade unions, NGOs, civic organisations, women's groups etc.

The SACP could play a significant role in both the above. Within the tripartite alliance and within its South African constituency, the party can do much to encourage greater awareness among working people of the implications of globalisation. The party can promote wide debate and participation on such issues. In its international work, the party can work for much greater effective solidarity on such issues in the spirit of socialist internationalism.

