

UMRABULO

Debating the Issues

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INTRODUCTION

This edition of *Umrabulo*, the first since the 50th Conference, will focus on some of the issues of public debate during the first half of 1998.

Amongst those is a speech to Parliament by ANC President Thabo Mbeki, focusing on the theme of Nation-building and Reconciliation. With the work of the Truth and Reconciliation Commission coming to an end, how to take forward a program of reconciliation, becomes even more of an issue.

The coming summit of the Tripartite Alliance has been preceded by robust and often sharp debates on its content, form and workings. We therefore include a discussion paper for the Alliance summit during the second half of this year on the Role of the State in Transformation and the speech made by Cde Mbeki to the 10th Congress of the South African Communist Party.

Lastly, the 50th Conference adopted a Resolution on our International relations, and we include two discussion papers on Globalisation and the African Renaissance,

which seek to take forward the debate on these two very important aspects which impact on our policy and work.

These articles and speeches do not purport to be the final word on any of the issues covered, but in the spirit of *Umrabulo* to take further the debates. All branches, regions, provinces and the Leagues should critically discuss the issues covered in these papers as part of our political education program. The Department of Political Education also welcomes contributions to future editions of *Umrabulo*.

The contents of this edition of *Umrabulo* do not necessarily express the policy of the ANC

STATEMENT OF DEPUTY PRESIDENT THABO MBEKI AT THE OPENING OF THE DEBATE IN THE NATIONAL ASSEMBLY, ON "RECONCILIATION AND NATION BUILDING"

NATIONAL ASSEMBLY, CAPE TOWN, 29 MAY 1998

Madame Speaker,
Honourable Members of the National Assembly;

I would like to thank our presiding officers, the whips and all the parties represented in the Assembly for giving all of us the opportunity, to discuss the important matter of reconciliation and nation building for which we have convened this morning.

The 1993 Constitution of the Republic of South Africa ends with an epilogue entitled "National Unity and Reconciliation".

Among other things, it says:

"This Constitution provides a historic bridge between the past of a deeply divided society characterised by strife, conflict, untold suffering and injustice, and a future founded on the recognition of human rights, democracy and peaceful coexistence and development opportunities for all South Africans, irrespective of colour, race, class, belief of sex."

"The pursuit of national unity," it continues "the well-being of all South African citizens and peace require reconciliation between the people of South Africa and the reconstruction of society."

For its part, the 1996 Constitution of the Republic of South Africa has a preamble which among other things, says:

"We, the people of South Africa, recognise the injustices of our past... (and) believe that South Africa belongs to all who live in it, united in our diversity."

"We therefore... adopt this Constitution as the supreme law of the Republic so as to heal the divisions of the past.. (and) to improve the quality of life of all citizens and free the potential of each person."

In its "Founding Provisions", this Constitution also says that our Republic has as one of its values "commitment to promote non-racialism and non-sexism."

I believe that as we discuss the issue of national unity and reconciliation today, we will have to do a number of things.

The first of these, to which I am certain we will all respond in the same manner, is that we should commit ourselves to the pursuit of the objectives contained in these constitutions for a democratic South Africa.

The second is that we will have to answer the question honestly as to whether we are making the requisite progress:

- to create a non-racial society;
- to build a non-sexist country;
- to heal the divisions of the past;
- to achieve the peaceful coexistence of all our people;
- to create development opportunities for all South Africans, irrespective of colour, race, class, belief or sex; and
- to improve the quality of life of all citizens.



Thirdly, we will have to answer the question, again as honestly as we can as to:

- whether our actions have been and are based on the recognition of the injustices of the past, and,
- whether our actions have genuinely sought to promote the integrated Constitutional objectives of:
 - national unity;
 - the well being of all South Africans;
 - peace
 - reconciliation between the people of South Africa; and
 - the reconstruction of society.

In the light of these prescriptions contained in the two Constitutions to which I have referred, let me declare some of the matters to which the government I represent is committed.

We are interested that, as a people, we move as rapidly and as consistently as possible to transform South Africa into a non-racial country.

We are interested that our country lives up to its constitutional commitment to transform itself into a non-sexist society.

We are interested that together, as South Africans, we adopt the necessary steps that will eradicate poverty in our country as quickly as possible and in all its manifestations, to end the dehumanisation of millions of our people, which inevitably results from the terrible deprivation to which so many, both black and white, are victim.

We are interested that we must deal with our political past, honestly, frankly and without equivocation, so that the purposes for which most of us agreed to establish the Truth and Reconciliation Commission, are achieved.

We are interested that our country responds to the call to rally to a new patriotism, as a result of which we can all agree to a common national agenda, which would include:

- a common fight to eradicate the legacy of apartheid;
- a united offensive against corruption and crime;
- concerted action to advance the interests of those least capable to defend themselves, including children, women, the disabled and the elderly;
- an agreement about how we should protect and advance the interests of all the different cultural, language and religious groups that make up the South African population;
- a commitment to confront the economic challenges facing our country, in a manner that simultaneously addresses issues of high and sustained growth and raising the living standards of especially the black poor;
- an all-embracing effort to build a sense of common nationhood and a shared destiny, as a result of which we can entrench into the minds of all our people the understanding that however varied their skin complexions, cultures and life conditions, the success of each nevertheless depends on the effort the other will make to turn into reality the precept that each is his or her brother's or sister's keeper; and
- a united view of our country's relations with the rest of the world.

We believe that these are the issues we must address when we speak of reconciliation and nation building. They stand at the centre of the very future of South Africa as the home of a stable democracy, human rights, equality, peace, stability and a shared prosperity.

Accordingly we must attend to the question whether with regard to all these issues and at all times, all of us behave in a manner which promotes the achievement of the goals we have mentioned, and therefore take us forward towards the realisation of the objective of reconciliation and nation building,

without which the kind of South Africa visualised in our Constitution will most certainly not come into being.

So must we also pose the questions - what is nation building and is it happening!

With regard to the first of these, our own response would be that nation building is the construction of the reality and the sense of common nationhood which would result from the abolition of disparities in the quality of life among South Africans based on the racial, gender and geographic inequalities we all inherited from the past.

The second question we posed is - are we making the requisite progress towards achieving the objective of nation building, as we have just defined it!

If we elected to answer this question in a polite and reassuring manner, we would answer - yes, we are making the requisite progress.

However, I believe that perhaps we should answer this question honestly and deal with the consequences of an honest response, however discomfiting it may be.

Accordingly, our answer to the question whether we are making that requisite progress, towards achieving the objective of nation building, as we defined it, would be - no!

A major component part of the issue of reconciliation and nation building is defined by and derives from the material conditions in our society which have divided our country into two nations, the one black and the other white.

We therefore make bold to say that South Africa is a country of two nations.

One of these nations is white, relatively prosperous, regardless of gender or geographic dispersal. It has ready access to a developed economic, physical, educational, communication and other infrastructure.

This enables it to argue that, except for the persistence of gender discrimination against women, all members of this nation have the possibility to exercise their right to equal opportunity, the development opportunities to which the Constitution of '93 committed our country.

The second and larger nation of South Africa is black and poor, with the worst affected being women in the rural areas, the black rural population in general and the disabled.

This nation lives under conditions of a grossly underdeveloped economic, physical, educational, communication and other infrastructure.

It has virtually no possibility to exercise what in reality amounts to a theoretical right to equal opportunity, with that right being equal within this black nation only to the extent that it is equally incapable of realisation.

This reality of two nations, underwritten by the perpetuation of the racial, gender and spatial disparities born of a very long period of colonial and apartheid white minority domination, constitutes the material base which reinforces the notion that, indeed, we are not one nation, but two nations.

And neither are we becoming one nation. Consequently, also, the objective of national reconciliation is not being realised.

This follows as well that the longer this situation persists, in spite of the gift of hope delivered to the people by the birth of democracy, the more entrenched will be the conviction that the concept of nation building is a mere mirage and that no basis exists, or will ever exist, to enable national reconciliation to take place.



Over the 4 years, and this includes the period before the elections of 1994, we have put forward and sustained the position that the creation of the material conditions that would both underpin and represent nation building and reconciliation could only be achieved over a protracted period of time.

I would like to reaffirm this position. The abolition of the apartheid legacy will require considerable effort over a considerable period of time.

We are neither impressed nor moved by self-serving arguments which seek to suggest that four or five years are long enough to remove from our national life the inheritance of a country of two nations which is as old as the arrival of European colonists in our country, almost 350 years ago.

Let me digress briefly and say something about the ongoing process of German unification.

As the Honourable members are aware, the two post-war German states united into one country in 1990.

After 45 years of division into two states with competing social systems, the German leaders and people understood that, truly to become one country and one people, they too, like ourselves, would have to address the central questions of national unity and reconciliation.

This was despite the fact that here we speak of a people who share the same language, colour and culture.

The seriousness with which the German people treated that process of the promotion of German national unity and reconciliation is reflected, among other things, by the extraordinary volume of resources which the richer, developed West Germany transferred to the poorer and relatively underdeveloped East.

During the first five years of unification after 1990, \$586,5 billion of public funds were transferred from West Germany to East Germany to underwrite Germany's project of national unity and reconciliation. This exceeded East Germany tax revenues for the same period by a factor of 4.5.1.

Further to illustrate the enormity of this effort, these transfers amount to 70 times the size of the national budget which this House is currently debating.

To help finance this extraordinary expenditure, a 7,5 per cent surcharge on individual income tax was imposed in 1991 and extended in 1995 for an unspecified period of time. Correctly and interestingly, this was designated a "solidarity" tax.

It might also be of interest to note that despite the huge flow of German public and private funds into the East, at the end of this first five year period, per capita income in the East still amounted to 74 per cent of income in the Western part of the country.

In our case, the reality is that in the last five years, the nation increased by a mere 10 per cent.

In our purposes, taking into account the increase in population, we are spending the same volume of money to address the needs of the entirety of our population as were disbursed to address the needs of essentially the white minority before the democratic transition.

Our own "solidarity tax" was imposed for one year only, accompanied by much grumbling from some sectors of our society.

Before we digressed to Germany, we were making the point that four or five years are not enough to weld the two nations which coexist in South Africa as a consequence of a long period of the existence of a society based on racism.

To respond to all of this, in conceptual terms we have to deal with two interrelated elements.



The first of these is that we must accept that it will take time to create the material base for nation building and reconciliation.

The second and related element is that we must therefore agree that it is the subjective factor, accompanied by tangible process in the creation of the new material base, which must take the lead in sustaining the hope and conviction among the people that the project of reconciliation and nation building will succeed.

Given the critical importance of the subjective factor, therefore, we must return to the question we posed earlier during this intervention.

That question is - are we all, as the various parties in this parliament and our society at large, behaving in a manner which promotes the objectives of reconciliation and nation building, within which the kind of South Africa visualised in our Constitution will most certainly not come into being!

Again, my own answer to this question would be a very definite - no!

Clearly, it would be irresponsible for me to make such a statement without substantiating it.

Let me therefore cite openly some of the interventions or non-interventions which, over the last four years, have not helped to move us more speedily towards the attainment of the objective of reconciliation and nation building.

Unlike the German people, we have not made the extra effort to generate the material resources we have to invest to change the condition of the black poor more rapidly than is possible if we depend solely on severely limited public funds, whose volume is governed by the need to maintain certain macro-economic balances, and the impact of a growing economy.

What this throw up, inevitably, is the question - are the relatively rich, who, as a result of an apartheid definition, are white, prepared to help underwrite the upliftment of the poor, who as a result of an apartheid definition, are black

If we are serious about national unity and reconciliation and treat the obligations contained in our Constitution as more than words on paper, we have to answer this question practically.

The South African Revenue Service is engaged in a difficult struggle to ensure that every individual and corporate entity meet their tax obligations.

I am informed that so far SARS has established that something in the order of 30 per cent of our corporations are not registered for tax purposes. These are people, who by honouring their legal obligations, could make an important contribution to addressing the material challenges of national unity and reconciliation.

They deliberately choose not to but will not hesitate to proclaim that the Government has failed to "deliver".

Many of us in this House find it very easy each time we speak to demand that the Government must spend more on this and that and the other.

At the same time, we make passionate demands that taxes must be cut and the budget deficit reduced.

The constant and, in some instances, dishonest refrain for more funds, in many instances incanted for party political gain, reemerges in our streets as when, only a few days ago, public sector workers marched behind posters which bore the words - "give us more" "give us more".



In the majority of cases, the call for the transformation of both public and private sector institutions and organisations, in particular to address the issue of racial representativity, has been resisted with great determination.

Indeed, one of the issues of great agitation in our politics is the question of affirmative action.

To ensure that it does not happen, some of what is said that "black advancement equals a white brain drain" and "black management in the public service equals inefficiency, corruption and a lowering of standards".

In many instances, correctly to refer to the reality that our past determines the present is to invite protests and ridicule even as it is perfectly clear that no solution to many current problems can be found unless we understand their historical origins.

By this means, it comes about that those who were responsible for or were beneficiaries of the past, absolve themselves from any obligation to help do away with an unacceptable legacy.

The current situation suggests that the TRC will be unable to complete its work especially with regard to the full disclosure and attribution of many acts of gross human rights violations.

This will leave the law enforcement agencies with no choice but to investigate all outstanding cases of such violations, making it inevitable that our society continues to be subject to tensions which derive from the conflicts of the past.

Some of our country, including some who serve within the security forces, are prepared to go to any length to oppose the democratic order, including the assassination of leaders and destabilisation by all means.

These include the new well-known story of the alleged involvement of former freedom fighters in plans to carry out a coup d'etat as well as other disinformation campaigns which the intelligence services are investigating involving allegations that Minister Mufamadi is involved in the cash-in-transition robberies, while Deputy Minister Kasrils and myself are responsible for the murder of white farmers.

Last week, I mentioned in the House the negative impact of such events as the recent appearance of the President of the Republic in court, the SARFU saga and the matter of the appointment of the Deputy Judge President of the Natal bench.

I am certain that many of us can cite many examples of interventions which have not contributed to the goal of national unity and reconciliation, including the many instances of resistance to pieces of legislation which seek to transform our country away from its apartheid past.

And yet we must make the point that the overwhelming majority of our people have neither abandoned this goal nor lost hope that it will be realised.

An important contributory factor to this is that there are, indeed, significant numbers of people in our society, including people among the white and Afrikaner community who, by word and deed, have demonstrated a real commitment to the translation of the vision of national unity and reconciliation into reality.

Again last week, in this House, I said that much of what is happening in our country, which pushes us away from achieving this goal is producing rage among millions of people. I am convinced that we are faced with the danger of a mounting rage to which we must respond seriously.

In a speech again in this House, we quoted the African-American poet, Langston Hughes when he wrote - "what happens to a dream deferred?"

His conclusion was that it explodes.



Thank you Madame Speaker.

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Globalisation: The Challenge facing South Africa

Adapted from a paper by Rob Davies, ANC Member of Parliament

1. Introduction

One of the most important policy challenges facing South Africa today is to respond to the changes in the way in which the world economy works. These changes in the world economy are known as globalisation.

Our own transition is taking place at a time where there are enormous changes in the international (world) system. There is no longer any alternative socialist bloc of countries which used to allow developing countries and countries attempting the transition to democracy to structure their trade, aid and investment relations. At the same time, powerful forces of globalisation and liberalisation are changing the capitalist world economy.

Understanding these changes is essential in defining policy options across the board including our economic policy, social policy and policy on the role of the state.

2. Defining globalisation

The United Nations Development Programme's (UNDP) 1997 Human Development Report points out that the term globalisation both describes and prescribes the system of economic relations in the world today. (UNDP 1998, p82)

The descriptions refer to the fact that international flows of trade, finance and information are being integrated into a single global market. Globalisation, therefore, is a process which is aimed at integrating the world market where national commodity capital, financial and currency markets are joined together into a single market which operates according to a set of rules which apply are universal. Transnational corporations, multi-lateral institutions and governments of advanced industrialised countries are driving Globalisation.

This is happening in a context where there are major advances in technology, particularly in the information and communication industries.

Eric Hobsbawm outlines the differences between international and transnational ways of operating in the world economy. During what he calls the "Golden Age" (between the end of World War 2 and the late 1960s), Hobsbawm argues that although countries traded with each other to a growing extent, most of their economic activities "remained home-centred" and the basic way in which the world economy operated was international. But from the late 1960s on, an increasingly "transnational economy began to emerge." this transnational



economy was characterised by "a system of economic complicating factors." And from the early 1970s, this transnational economy became a global force and grew more rapidly.

It is this transition from an international economy to a transnational world economy that defines the present phase of globalisation. Globalisation has been facilitated by the introduction of new information and communication technologies. These technologies have made capital, financial and commodity flows much quicker. But globalisation cannot be reduced to technicist changes alone. Globalisation is much more fundamentally a process of restructuring the entire way in which global capitalism works.

Globalisation has transformed the way in which dominant forces in the global economy have defined their interests in the world outside of their own home base. In earlier economic phases, these forces were focused on ensuring access to cheap raw materials in the periphery as well as whatever access they could get to foreign commodity markets that was compatible with ensuring protected access to their economies at home. They are no longer focused on this. The agenda now of transnational capital is to look for a much broader and far-reaching breakdown of barriers to the free movement of commodities and capital across national borders as well as removing obstacles to setting up production processes in any part of the world.

Globalisation has therefore come together with the demands for removing regulatory and other barriers in national states. These barriers are seen as obstacles to the freer movement of commodities, finance and capital, but not of labour, across the world. National states have been pressured by the rules of the World Trade Organisation (WTO), the conditionalities of international financial institutions (IMF - International Monetary Fund and World Bank), and the impact of globalised currency and capital markets (which react with frightening speed against any country that does not conform).

At the same time, as there is deregulation at a national level, there is more regulation at a global level. The Uruguay Round of the General Agreement on Trade and Tariffs (GATT), and the setting up of the WTO, were important steps in this process. The Marrakesh Agreement coming out of the Uruguay Round negotiations introduced tariff reductions and other aspects of the agreement. A key feature of the process from Uruguay onwards has been the extension of the agenda to cover much more than the regulation of developed countries. This is seen in Trade Related Investment Measures (TRIMS) and Trade Related Intellectual Property Measures (TRIPS). These measures extended international regulations to areas such as investment policy, the financial sector and patent law enforcement.

Other issues that became clear was the desire of advanced industrialised countries for further rounds of negotiations for reducing tariffs and to broaden the WTO agenda to include matters such as a Multilateral Investment Agreement.

3. The Uneven Impact of Globalisation

The above processes can be seen as real and objective changes in the way that the capitalist mode of production operates. The UNDP has, however, also said that globalisation is "prescriptive". *"The prescription", according to the UNDP, "is to liberalise national and global markets in the belief that free flows of trade, finance and information will produce the best outcome for growth and human welfare "*.

"All is presented ", says the UNDP, "with an air of inevitability and overwhelming conviction. Not since the heyday of free trade in the 19th Century has economic theory elicited such widespread certainty" (UNDP, 1997, p 82).

There are, however, a number of problems with this kind of ideologically driven policy prescription. Some of the problems include:

Liberalisation associated with globalisation is being applied selectively.

Free movement of unskilled labour is not part of the agenda. In addition, while global negotiations are moving rapidly towards free markets in foreign investment and services, developed countries intervene in textile and agricultural markets to create obstacles for exports by developing countries in areas where they are currently competitive. The ideology of neo-liberalism says that the maximum liberalisation of tariff and regulatory controls is as good for the party taking these measures as it is for the potential entrants into a newly liberalised domestic market, but, in practice, globalisation is a highly uneven and unequal process of liberalisation.

Developing countries have been pressured into significantly "opening up" their national economies and substantially reducing real levels of protection, only to encounter continuing real protection, taking various forms, in advanced industrialised countries.

According to the UNDP, non-tariff barriers in at least 20 industrialised countries became more rather than less restrictive in the decade 1982-1992. By 1992, these *"global market restrictions and unequal partnerships"* were costing developing countries about \$500 billion - an amount equal to about 20% of the their combined Gross National Product (GNP) and more than six times their total amount spent on development priorities, such as basic education, primary health care, safe water and the elimination of malnutrition (UNDP, 1992, 6).

Although the implementation of the Marrakesh Agreement is leading to the removal of some of these non-tariff barriers (while converting others into tariffs), its effects too are highly uneven. A study by the OECD has suggested that those who benefit the most from the Uruguay Round will be North American and Europe. It further says that Africa, including South Africa, will be net losers at least in the short and medium term (see *Third World Economics*, 15/11/1993).

In agriculture, in particular, non-tariff barriers and subsidies in developed countries and regions, many of which were justified as a price that had to be paid in order to secure the Marrakesh Agreement, have resulted in a playing field that is far from level. For example, the producer subsidy equivalent for European Union agricultural products is 15% in South Africa. These subsidised EU products compete with those from South Africa and other developing countries not only in the EU market, but also in third country export markets and even the domestic South African market.

The UNDP concludes that *"in the real world, as distinct from the imaginary one inhabited by free traders, survival in the agricultural market depends less on comparative advantage than on comparative access to subsidies. Liberalising local food markets in the face of such unequal competition is no prescription for improving efficiency, but a recipe for the destruction of livelihoods on a massive scale"* (UNDP, 1997, 86).

Thus while globalisation has been seen as potentially raising world GDP by between \$212 and \$510 billion, it needs to be recognised as highly uneven process that has produced losers as well as winners.

It has been linked with the widening of differences in income and wealth both within and between countries.

The UNDP points out that liberalisation has demanded the *"shrinking of state involvement in national life, producing... privatisation of public enterprises and, generally, job cuts."* The UNDP further states that *"the opening of financial markets has limited governments ability to run deficits - requiring them to slash health spending and food subsidies that benefits poor people."* (UNDP, 1997, 88). Liberalisation has sometimes come together with greater inequality and a *"falling share of income for the poorest 20%"* (UNDP, 88-89).

Similar thinking also underlies concerns repeatedly expressed about the marginalisation (actual or potential) of a number of the least developed countries. In forums such as UNCTAD, it has been argued over and over that while the process of globalisation has the potential to raise growth and living standards across the globe, it also has the potential threat of marginalising a number of countries and peoples who lack the basic requirements to integrate effectively.



President Benjamin Mkapa of Tanzania told the Mozambican parliament during an official visit in April 1996, "*...we face pressure to prepare ourselves for liberalised world trade... With our low capacities for science and technology, productivity and hence competition, coupled with our indebtedness and ever deteriorating terms of trade, we stand to lose rather than gain from this new trade regime*" (*Southern Africa news Features*, 16/5/1996).

Linked to this perception of the threat of marginalisation and the need for "development" to feature more prominently in trade negotiations, is an increasing questioning of the whether the neo-liberal policy response to the objective reality of globalisation is appropriate and correct or not. As indicated earlier, the "Washington consensus" says that globalisation requires the same kind of policy response everywhere, which include that :

- National economies should open themselves to the global economy by implementing widespread tariff reductions and removing other non-tariff barriers to the movement in or out of commodities or capital.
- Firms and enterprises should be subjected to the full force of competition by removing subsidies and deregulation.
- Budget deficits should be slashed, through reducing the amount spent by the state, and state and parastatal entities should be privatised.
- In this way, "distortions" will be eliminated and appropriate price signals carried through market forces.

Ethan Kapstein (1996) has argued that such policies have had an impact of contracting the world economy. He writes, "*The global economy is leaving millions of disaffected workers in its train. Inequality, unemployment, and endemic poverty have become its handmaidens*". Kapstein blames "*the current obsession with balanced budgets in the United States and the Maastricht criteria in Europe*"

The failure of many developing countries to achieve East Asia style export-led industrialisation, despite years of IMF and World Bank recommended Structural Adjustment Programmes (SAPs), has also led to some reflection on whether or not they are correct as a strategy, even among economists who encourage their integration into a globalising world economy.

In a paper presented to the North-South Round Table on Africa held in Johannesburg, Sanjaya Lall and Frances Stewart (1995) argued that protectionist policies had one-sidedly emphasised efficiency. The real challenge, they suggested, was to steer a delicate balance between the two.

"*There is no definitive guide on how to do so*", they write, "*though the experience of Taiwan, South Korea and, in the African context, Mauritius, provide some pointers. These countries first built up strong human capabilities through... and, once industrial capability was established, they changed the incentive system to*

favour manufacture of exports based on simple labour intensive technologies (mainly textiles and garments). They did not abandon the protection of domestic industry, but provided incentives for efficiency through domestic competition and government pressure on firms, including pressures to enter export markets and thus face competition from international markets after a predetermined number of years ".

4. Options in Responding to Globalisation

What then is the appropriate policy response for a country like South Africa?

Globalisation is clearly a complex process that we cannot ignore or avoid. Our country depends on its relationship with the world economy for about 50% of its Gross Domestic Product (GDP) and withdrawing or isolating ourselves is an option that could only be implemented at great cost. The ANC has, thus, taken a policy decision to engage proactively with globalisation and look for a beneficial re-insertion of our country, isolated by apartheid, into the world economy. We need to see globalisation as presenting both opportunities and threats, and to recognise that we have strengths and weaknesses in engaging with it.

The opportunities arise from the fact that world trade is expanding more rapidly than world GDP, that international capital flows have increased and that globalisation has been associated with a communications and information-technology revolution. The rapid expansion of world trade is creating possibilities for a country like our own to boost its economic growth by increasing exports as well as, at the same time, achieving a diversification of exports that could reduce our dependence on primary products. Both these goals are critical to achieving RDP and GEAR targets. The technological advances linked to globalisation also have enormous potential to raise output and improve incomes. The increased movement of international capital could potentially result in an increase in foreign investment - another important GEAR objective.

The threats come from the fact that globalisation has increased competitive pressures. No country can maintain protective tariffs and regulatory barriers at the levels they were in the past - unless it is prepared to cut itself off entirely from the global trading system. As protective barriers are lowered, producers directed at domestic markets will face increased competition from potential imports. At the same time, taking advantage of the opportunities available through engaging in export trade has become an objective of many countries. Unlike the East Asian Newly Industrialised Countries (NICs) who began their drive for export-led growth at a time when most other developing countries were following import substitution industrialisation (ISI) policies, South Africa faces the prospect of having to attempt to realise its objectives in this regard at a time when many other countries are trying to do precisely the same. In both export and domestic markets, globalisation is thus increasing competitive pressures.

South Africa has strengths it can build on in developing a proactive response to globalisation. It has a significant natural resource base, is relatively developed in relation to its neighbours, has a geographic location closer than the advanced industrialised economies of "the North" to faster growing economies of Asia and Latin America, has human resource potential and is undergoing a political transition that is strongly supported and admired by many key players globally.

At the same time, we have clear weaknesses and vulnerabilities that need to be identified and overcome. Much of the inherited productive economy, and the manufacturing sector in particular, are relatively uncompetitive. Years of isolation under apartheid, and policies of import substitution industrialisation have left much of the manufacturing sector, in particular, vulnerable to foreign competition.

These actual or potential weaknesses are made worse by the unevenness and selectivity of globalisation today (as discussed in the previous section). South Africa's level of development means that it is seen as a potential competitor, at least in some sectors, to developed countries. Fears about the impact of our products in sectors where we are currently competitive, e.g. processed agricultural products, clearly exist in influential circles in developed countries. We have discovered that we are unlikely to receive much more than we already have by way of preferential non-reciprocal access to major developed country markets. Any further benefits in terms of access to such markets are likely to require that we grant reciprocal favourable access to our own market through the negotiation of Free Trade Agreements.

Our policy stance requires that a number of elements are put in place at the same time. First, there is a need for a clear trade strategy aimed at identifying countries and regions where we can most beneficially increase our trade. The Department of Trade and Industry (DTI) has identified the fast growing regions of the Indian Ocean Rim and Latin America, as well as the Southern African region and West Africa, as particularly important in this regard. Second, we need industrial and sectoral policies aimed at raising the overall level of competitiveness, identifying sectors where we have potential and those where there are vulnerabilities that need to be overcome.

We must be willing to learn from international experience, and identify international best practice. But we must protect and defend the integrity of our own policy formulation. We must not succumb to ideologically driven or self-interested policy prescriptions that come from elsewhere. Protectionism of the sort applied in previous years is no longer an option. A minimalist approach to tariff reform can create a false sense of complacency. But we must recognise that being more free trade than the norm is unlikely to bring us real benefits. The main thrust of our domestic policy response must involve recognising that change is certain and we must therefore proactively promote appropriate restructuring that serves our growth and development objectives.

Globalisation also requires of us that we introduce concrete measures to counter its polarising and marginalising tendencies. In a context where globalisation has been accompanied by a widening of inequalities within countries and where jobless growth has become a global norm, active policies to promote employment, including by focusing on services and other non-tradable sectors, human resource development and basic needs provision, are all essential.

Finally, globalisation challenges us to actively engage in wide trade diplomacy. A process which is continuing to reproduce a division of the world into "winning" and "losing" nations, particularly in a situation where many of our neighbouring states and a large part of the continent of Africa seem doomed to remain "losing" nations, cannot be one that South Africa is simply indifferent to. We need to recognise that globalisation and liberalisation have created an imperative to, on the one hand, struggle to find new ways to protect the integrity of domestic policy formulation and sovereignty, while, on the other, actively engaging in the international arena both to maximise opportunities within existing norms and structures, and at the same time striving to become an active force seeking to bring about changes in the global environment that will benefit our own country, Africa and the South in general. In circumstances where there are powerful pressures merely to conform, this will need to be constantly based on an informed and critical analysis of the emerging global environment and of the balance of forces within it.

Some valuable lessons have been learnt in the past three and a half years. One of them is that South Africa, which produces less than half per cent of the world's GDP, can only hope to be effective in international forums if it acts together, in partnership, with others. The search for alliances is thus fundamental - with Southern Africa, Africa and the South clear priorities in this regard. We must overcome the tendency to see matters of trade negotiations and international economic regulation as technical matters that can be left to experts. Developments at this level are of critical importance both to government as a whole and broader civil society. The ANC must become more active in:

- the creation of a greater awareness of, and promotion of broader participation in, the development of positions to be taken up in the conduct of our trade diplomacy, based on a recognition that the issues being addressed often have very profound implications for our people;
- the forging of links, and building of alliances, not just with the governments of countries of the South, but also with a broader range of progressive forces in both developed and less developed countries.

**STATEMENT OF THE PRESIDENT OF THE AFRICAN NATIONAL
CONGRESS, THABO MBEKI,
AT THE 10TH CONGRESS OF THE SACP**

2 JULY 1998

Chairperson,
Comrades leaders and members of the SACP,
Delegates:

I am honoured to convey to the 10th Congress the fraternal greetings of the leadership and membership of the African National Congress to yourselves, a tested and valued ally of our movement of long standing.

We sincerely wish the Congress success as it deliberates on matters that are of importance not only to the Communist Party but also to the entirety of our movement as well as our country as a whole.

Your know this as well as we do that our common ideological and political enemies view your Party as an historical relic whose disappearance they pray and work for.

Even now, as you meet, some in our country seek to suggest that you will tear yourselves apart in a leadership fight reportedly between old, diehard Stalinists and young and dynamic new representatives of the left.

And, of course, the old hardy annual also continues to be paraded - that the Congress will provide the Communist Party with the platform from which it will lash out at its ally, the ANC, as well as the government which it leads.

Of course, those of us who are part of our broad movement for national and social emancipation know that, once again, all these predictions will be proved to be false, being nothing more than the mere wishes of those whose agendas are opposed to ours, of the upliftment of the masses of our people and the creation of a society focused on meeting the material and spiritual needs of the ordinary working people.

Nevertheless, the wishes and utterances of our opponents also serve a useful purpose. They tell us something about what we should not do, or what we should do that would serve the interests of those forces that are opposed to the fundamental transformation of our country.

Your Congress takes place at a time when our financial markets, like others in other parts of the world, are afflicted by great turbulence. At the same time, the whole world is gravely concerned about the Japanese and other East Asian economies and their impact on the world economy.

While our eyes were focused on these matters, both domestically and internationally, among other things reflecting on the challenge they pose to the development efforts of our own country and Continent, we were once more reminded of the urgent need to attend to matters of peace and stability on our Continent, without which no development will occur.

I refer here to the military conflict which has broken out in Guinea Bissau as a result of the mutiny of elements of the armed forces of that country against their government, and the hostilities taking place between Ethiopia and Eritrea.

The fact of the matter is that it is within this world that we have to achieve our own objectives as a movement of the reconstruction and development of our country and its transformation into a society of non-racialism, non-sexism and a better life for the masses of our people, and contribute to the effort to secure a similar transformation of our Continent of Africa.



The tasks thrown up by the society we inherited are clear enough. Working together we identified them in the Reconstruction and Development Programme. They remain, still, as we elaborated them in that Programme and therefore constitute the combat orders of our movement as we continue the struggle for the genuine liberation of our people.

They also continue to require that we further develop and refine the policies and programmes which will ensure that, over time, we achieve the objectives set out in the RDP.

Your Congress will address all these matters, giving them the detailed attention they deserve. We are convinced that the results of your deliberations will further enrich the discussions that are taking place on these issues within our Alliance and the broad democratic movement, as have the positions that the Communist Party has taken on a whole variety of questions over the decades of its existence.

Happily, we have gathered here in Congress and not a mass rally. This should give us the opportunity to conduct our deliberations with the necessary and obligatory depth and not be satisfied merely to repeat slogans or to proclaim a catechism of revolutionary sounding phrases.

One of the issues which the right wing parties in our country are very fond of repeating is that our movement has abandoned the RDP. By this means, they hope to turn the masses of our people who voted for us in 1994 against our movement by seeking to project the notion that we have betrayed the trust that the people placed in the ANC.

We must, of course, expect that these opposition parties will play this role, in their interest, as part of their strategic objective to weaken and defeat our movement to bring to a halt the process of the fundamental transformation of our country.

What is however surprising is that we also find this same message about the RDP repeated by people who claim to represent the left.

At a recent meeting of the National Executive Committee of the ANC, we made the suggestion that the ANC should prepare and publish a booklet reporting on what our Government has done to implement the perspectives spelt out in the RDP. This will be done.

We made this suggestion because we were confident that we have, in fact, not departed from those perspectives. We say this without fear of contradiction that the assertion that we have abandoned the RDP is false and completely without foundation.

All that any honest person needs to do is to look at the RDP document and analyse what the government has done in the short period of four years in which we have been in power.

Such an objective analysis will show that what the right-wing parties are doing is merely the broadcasting of propaganda, unashamedly based on a gross falsification.

I would therefore like to repeat this, that this congress, being the highest policy making organ of the Communist Party, has a responsibility itself to reflect correctly on this issue and not be satisfied with repeating pure inventions which some, for reasons which have nothing to do with advancing the interests of the people, seek to present as established truths.

Further to illustrate this point, let me quote what the RDP says about the public finances, especially in the light of comments and postures that have been taken within the Alliance about GEAR.

The RDP says that we have inherited:

"a structurally unbalanced economy (which includes) a serious fiscal crisis, with high personal tax rates accompanying a large budget deficit."

It goes on to say:



"(We must) ensure a macro-economic policy environment that is stable ... We must finance the RDP in ways that preserve macro-economic balances, especially in terms of avoiding undue inflation and balance of payments difficulties. This requires a strategic approach that combines public and private sector funding, taking into account the sequence and timing of funding sources and programmes."

It continues:

"The existing ratios of the deficit, borrowing and taxation to GDP are part of our macro-economic problem. (Repeat). In meeting the financing needs of the RDP and retaining macro stability during its implementation, particular attention will be paid to these ratios. The emphasis will be on ensuring the growing GDP, improved revenue recovery, and more effective expenditure in order to make resources available. In the process of raising new funds and applying them, the ratios mentioned above must be taken into account."

The RDP document also says:

"The largest portion of all RDP proposals will be financed by better use of existing resources ... In the long run, the RDP will redirect government spending, rather than increasing it as a proportion of GDP ... A severe imbalance exists at present between insufficient capital expenditure and excessive consumption expenditure."

I would like to invite the delegates to Congress to study these prescriptions contained in the RDP and inform both themselves and the Alliance in what ways we have departed from them, and therefore replaced the RDP with GEAR.

In clear and straight forward language, the RDP identified a high deficit, a high level of borrowing and the general taxation level as, to quote the RDP again, "part of our macro-economic problem."

Accordingly, as we have already indicated, it speaks against increasing government spending as a proportion of the GDP, and says the largest portion of all RDP proposals should be financed "by better use of existing resources."

It is because our movement as a whole understood clearly the economic challenges we face, that it refused, as it worked on the RDP, to fall victim to a subjective and populist approach to the economy and therefore insisted at various points in the RDP document that "particular attention (must) be paid to these (macro-economic) ratios."

Comrades also appear to have forgotten that, having noted the fiscal crisis, characterised in part by a large budget deficit, and having called for new macro-economic ratios, the RDP did not then go on to say what these ratios should be.

For some strange reason, when work is then done to translate the perspective contained in the RDP into actual figures, this is then interpreted as a replacement of the RDP by GEAR.

The ANC has been very concerned by the seeming ease with which comrades within our broad movement for national liberation have levelled a charge of treachery against specifically the ANC, basing themselves on allegations that we have abandoned the RDP, which in reality, they cannot prove because they are false.

This manner of proceeding, which is very new in the Congress Movement, with which all the older cadres of our Movement are completely unfamiliar, of laying false charges against one another within the movement so that we can pose as the sole genuine representatives of the people, is something that we must all address.

The occasion of this 10th Congress of the SACP provides an opportune moment and an appropriate occasion to begin this important work.



The very new phenomenon we are referring to is represented, for instance, by false accusations that I understand are being made that some decision has been made either to privatise ESKOM or to undermine or compromise the directives which our Government itself conveyed to this corporation; to bring electricity especially to the black people of our country.

Again an insulting inference is made that, for some reason which, if I may speak frankly, your comrades in the ANC do not understand and resent most intensely, the ANC no longer represents the interests of the masses of the people.

Thus it is suggested that the progressive traditions of our movement are represented by forces outside the ANC, this proud leader of our liberation movement having transformed itself into a virtual enemy of the people, which can only be kept on course if its allies position themselves as a vocal left watchdog over the very organisation which is supposed to lead our Alliance.

The new tendency within our movement of which we have spoken is also reflected in some of the Discussion Documents which were distributed as you were preparing for this Congress. I will take the liberty to cite only a few examples of what we are talking about.

In the discussion of the African Renaissance, the extraordinary suggestion is made that because our approach is not "rooted in a scientific analysis of the challenges, and in a class conscious approach to these challenges", we are in danger of becoming "the witting or unwitting agents of an imperialist (and specifically US-led) reconfiguration of our continent."

These cautionary remarks derive from observations made in the document that the ANC "recently adopted resolutions endorsing the perspective of an African Renaissance."

This reflection in your documents makes no mention whatsoever of the fact that the 50th National Conference of the ANC resolved as follows:

"The African Renaissance should be led by the most progressive forces of African society representing an alliance of the working class, peasants, the middle class and progressive sectors of the emerging black bourgeoisie..."

If the SACP is of the view that, despite these Conference decisions, there is evidence that the ANC might become "the witting or unwitting" agent of the United States on the African Continent, let this be said in a forthright manner and not through insinuations which seek to plant negative attitudes about the ANC in the minds of members and supporters of the Communist Party.

Where your discussion documents discuss the role of the state, the following observations are made:

"although the official policy of government and of the alliance is that the state should play an active and developmental role in the economy, in practice this strategic standpoint is often not pursued. Privatisation is still often proclaimed to be official government policy and an end in itself, notwithstanding the National Framework Accord on the Restructuring of State Assets. The transformation of the public sector is often reduced to a narrow cost-cutting, budget-deficit reduction exercise. And the role of the state in the economy often amounts to little more than pleas to the private sector."

Once more, falsehoods are presented as facts. Hostile inventions directed against the ANC are created so that positions can then be taken to demonstrate how much, in this instance, the Communist Party represents the genuinely progressive agenda, while the ANC is bent on betraying the cause of the revolution.

Once again, and on behalf of the ANC, I would like to suggest that if the Communist Party is of the view that the ANC is set on a reactionary path of development, it is better that this is stated openly and substantiated with objective arguments, rather than advanced through techniques that are new to our movement, of spreading falsifications about the positions of any of the organisations of the



Congress Movement, so that the accuser can pose as the genuine representative of the progressive movement of our country.

With regard to some of the economic objectives contained in the RDP, to which we referred earlier, the following comments are made in your discussion documents:

"Much of GEAR, and indeed much of government's evolving economic policy has shifted progressively away from ANC economic policy in the first half of the 1990's, which underlined the interconnectedness of growth and development, which envisaged a major emphasis on growth led by domestic and regional infrastructural development. More and more, there has been a shift towards the assumption of an export-led growth, based on the myth that deregulation and liberalisation, more or less on their own, will make the South African economy "globally competitive".

Again, let me quote a few elements of what the RDP says about some of the matters raised in this text.

The RDP documents says:

"In general, our objective is to enhance our technological capacity to ensure that as part of the restructuring of industry, South Africa emerges as a significant exporter of manufactured goods.... While trade policy must introduce instruments to promote exports of manufactured goods in general, industrial policy must support and strengthen those internationally competitive industries that emerged on the basis of stronger internal linkages, meeting the needs of reconstruction and raising capacity utilisation."

Your documents dismiss these positions with great contempt as reflective of a reactionary thesis about "export-led growth."

The RDP document also states:

"Tariff reductions on imports, which are a GATT requirement, also represent a strategic instrument for trade policy. (The Government) must simplify the tariff structure and begin a process of reducing protection in ways that minimise disruption to employment and to sensitive socio-economic areas."

Again, your documents denounce these positions, spelt out in the RDP, as representative of the attachment of the ANC to positions which, in your view, are tantamount to a counter-revolutionary "liberalisation" approach to trade policy.

On the issue of deregulation, about which your documents seemingly demonstrate a supposedly Communist and scientific contempt, when the RDP documents discusses telecommunications, this is what it has to say:

"The basic infrastructural network must remain with the public sector. Certain value-added services could be licensed (i.e to the private sector) within the framework of an overall telecommunications programme ... (An advanced information network)... must provide a significant advantage to the business sector as it reduces costs and increases productivity, and serves as an integral part of financial services, the commodities market, trade and manufacturing."

Again, it would be useful if the Communist Party, through this Congress, could demonstrate to itself and to the Alliance, what it is that our Government has done which constitutes a betrayal of the trade policies spelt out in the RDP.

Your Discussion Documents, elements of which we have cited, regurgitate, undigested, the most pessimistic assessments of our economy made by those whose class and national interests dictate that they propagate the understanding that our Government has failed, as all other African governments have failed.



And so the Discussion Documents you have in your folders, which I suppose you are intended to approve with amendments and additions, say:

"The SACP believes that nearly two years of GEAR are beginning to confirm our concerns. Growth targets are not being met. The arbitrary budget deficit targets are wreaking havoc on all of the other good work we are doing in socio-economic transformation, and, above all, the small growth that has occurred has been accompanied by persistent structural unemployment. Indeed, there have been net job losses, with hundreds of thousands of workers losing their jobs in the last two years."

Simply put, the SACP makes bold to say that the ANC is responsible for all our economic woes.

In this paradigm, the apartheid legacy does not exist. Consistent with the romantic but inspiring image of a South African miracle, were it not for GEAR, we would, by now, and since 1994, have effected a structural transformation of our economy.

And above all, in a miraculous period of four years, we could have addressed the needs of the people on the basis of new material resources that would have been generated by our economy, if only we had not sought to translate into a practical and implementable programme the strictures spelt out in the RDP document!

Again, I would like to pose the challenge to this Congress that you have an obligation to answer the question to yourselves and to the rest of our Alliance as to what your own reading is of what has been happening to the South African economy, in all its major elements in the last 4 to 5 years.

The loud repetition of an assessment of our economy, which in good part is driven by a psychosis which dictates that a message of failure and pessimism must necessarily be communicated, overriding the nuisance of facts, does not help us to reach an objective appraisal.

Neither does it speak well of those who consider themselves to be the very heart of the left that, in pursuit of an all-consuming desire to present themselves as the sole and authentic representative of the progressive movement, seem so ready to use the hostile message of the right and thus join forces with the defenders of reaction to sustain an offensive against our movement.

Let us pass to another issue raised in your Discussion Documents.

In the face of the great challenge which confronts our objective of the consolidation of the democratic victory, posed by a myriad of forces in our society which are involved everyday and every hour of the day in the determined efforts to ensure that we fail, your documents make the startling observation that "the SACP is convinced that the counter-revolutionary threat should not be over-stated in our present situation."

Your documents go on to say:

"A position that calls for the bureaucratic "closing of ranks" in the face of perceived "counter-revolutionary" activities on all fronts will, in the end, become self-fulfilling."

In other words, we, the ANC, who have sounded the clarion call about the need for us to identify as one of our strategic tasks the defence of the democratic revolution, will become the very architects of the counter-revolution!

Indeed, elsewhere in your documents, the point is made that:

"The most serious strategic threat to the National Democratic Revolution is the attempt by capital to stabilise a new, "deracialised" capitalist ruling bloc, under the mantle of the ANC itself."

Again, in more direct words, as was said about the ANC becoming an agent of US imperialism on our Continent, so now is the ANC being accused of becoming a counter-revolutionary representative,



domestically, of the capitalist ruling bloc, and therefore the most serious strategic threat to the democratic revolution.

Thus is in the view of the South African Communist Party, "the most serious strategic threat" to the democratic revolution does not come from:

- those who are stealing weapons from the National Defence Force and the Police Service, who are planning and carrying out destabilisation campaigns;
- those who are setting up alternative intelligence and other structures;
- those, within our security forces, who are involved in large-scale corruption, including involvement in crime and collusion with crime syndicates, which undermines all our efforts to discharge our obligations to ensure the safety and security of all our citizens;
- those who are involved in a rape of public resources, including the theft of pensions and grants of the elderly and the disabled, education funds and medicines and drugs intended for our public health system;
- those who are destroying both our citizens and our state machinery through the marketing of narcotics and the corruption of state employees through financial handouts financed by the drug trade;
- those who are supplying illegal firearms to the most degenerate members of our society;
- those who are subverting the economy and attacking the organised working class through such bodies as the so-called Workers' Mouthpiece;
- those who are doing everything in their power to ensure that they weaken our government by avoiding to meet their tax and other public revenue obligations;
- those who, through their control of elements of the state machinery, are working to ensure that we fail to meet the needs of the people;
- those who discourage foreign investors to put new money into our economy;
- those who will do anything at all to smash the ANC, the SACP and COSATU;
- those who wage a daily media campaign to divide, discredit and destroy our movement;
- those who work everyday to ensure that the working people remain divided and in conflict among themselves, at times with arms in hand.

No! the SACP has come to the firm view that these, and many others besides, do not constitute "the most serious strategic threat to the NDR."

Most remarkably, the SACP believes that we of the ANC represent this "most serious threat". Evidently, we having resorted to a call which constitutes what your documents describe with self-assured and superior sarcasm as a "bureaucratic closing of ranks" in the face of an imagined rather than a real counter-revolutionary threat.

Presumably we have done this to divert attention from the fact that we, the ANC, are the real and deadly enemy of the revolution.

I am not inventing this assessment. It is clearly spelt out in your own Discussion Documents which were distributed ahead of your Congress presumably to influence its outcome.

Perhaps, at this point, we should say enough is enough!

As a guest, accorded the privilege to address your Congress, I should not speak for too long.

There is one other matter I would like to raise, speaking with the full authority of the leadership and membership of the African National Congress.

This relates to the important question of how we should handle the differences and contradictions that will necessarily and inevitably arise among ourselves as members of the Alliance and members of the mass democratic movement.



But before I address the question, let me conclude what has been the main burden of our argument so far.

During the years when we were involved in the later stages of the struggle for the total emancipation of our continent from white colonial domination, all the liberation movement on our Continent borrowed a slogan from the PAJGC of Guinea-Bissau and Cape Verde, then led by the late Amilcar Cabral.

That slogan was:

"Tell no lies! Claim no easy victories!"

I cite this today, at this 10th Congress of the SACP, to say to you that the practice within our movement to tell lies about one another must come to an end!

So must we end the practice of claiming easy party victories for the cause of the revolution on the basis of having told lies about our own comrades, whom we seek to outshine so that we can position ourselves as the real representatives of the genuine left!

The real victories we must score must be against our real enemies and not against other comrades. We must not allow the situation such that we engage in fake revolutionary posturing so that our mass base, which naturally wants speedy transformation and the fulfillment of its material needs on an urgent basis, accepts charlatans, who promise everything that is good, while we all know that these confidence tricksters are telling the masses a lie.

Tell no lies! Claim no easy victories!

I am informed, perhaps wrongly, that after Comrade Nelson Mandela addressed you yesterday on his views on how we should handle differences and debates within our Movement, some delegates dismissed his views as the rantings of an old man, whose mandate was represented only by what was contained in his written acceptance speech of the Chris Hani Peace Award.

On behalf of the African National Congress, I would like to reiterate the point he made that as component parts of our Alliance, we must allow for the natural possibility of the allies to hold different views about many of the major issues of the day.

The fact that all of us are part of the strategic alliance for the fundamental transformation of our country, requires that we handle these differences in a way which strengthens this alliance and empowers it to carry out its historic tasks.

In the recent period of our history of struggle, when it has seemed that some comrades considered it an act of revolutionary heroism to attack the African National Congress, in part to promote their prospects of election to leadership positions within their own organisations, we have avoided responding through the media to vicious attacks communicated to us, not through the structures of the Alliance, but through articles and comments in the mass media.

From this has grown the mistaken idea that we are silent because we are unable to defend ourselves, for the simple reason that the positions we have taken are wrong and indefensible.

We would like to take advantage of this occasion to make the point that the assumption that some among you make, together with other forces within the broad democratic movement, that the ANC is incapable of representing the most fundamental interests of the toiling masses of our country is wrong.

None of us should go around carrying the notion in our heads that we have a special responsibility to be a revolutionary watchdog over the ANC.



We must understand that none among the left forces of our country is challenged to capture the soul of the ANC, to avoid it being stolen by forces of the right.

This supposed left victory would mean that we, who are members and cadres of the ANC, will sit in helpless surrender as whatever force takes away our soul, leaving us as nothing but pliable instruments in the hands of whoever controls us.

It is equally incorrect to proceed from the assumption that contradictions among ourselves are best addressed by ignoring the possibility of an organised interaction among ourselves, however vigorous, in favour of media headlines which, presumably, would shame us to comply with whatever message evokes the most dramatic headlines.

The struggle for the genuine emancipation of the masses of our people is not over, and will not be over for a protected period of time.

This objective reality means that the basis does not exist for the partners in the Alliance and the mass democratic movement, fundamentally to redefine the relationship among themselves, including the way they handle their differences and contradictions.

None of the component parts of the Alliance can be truly strong and representative of their constituencies if they turn their backs on the concept and perspective represented by the Alliance and the Congress Movement.

The idea that any of our organisations can build itself on the basis of scavenging on the carcass of a savaged ANC is wrong in the extreme.

This is because such death of the ANC, which will not happen, would also mean the death of the rest of the progressive movement of our country.

The idea must also be understood clearly, that many of the forces we use to wage war against one another, including some members of the media, co-operate with us only because they want us to tear one another apart.

It must also be understood that if at any point the ANC, as a leader of our government, decides to represent its own singular interests, whatever this may mean, this would taken all other forces in the Alliance.

In the end, the point we are making is that our continuing struggle requires that all the component parts of our Alliance should be strong and that each one of these needs to work to ensure that the others are strong.

I am certain that at the close of this congress we will emerge with a strong and united SACP, ready to contribute fully to the strengthening of the Alliance as a whole.

One of the major political tasks ahead of us, to ensure our common overwhelming victory in the forthcoming elections of 1999, requires the cohesion of the democratic movement we have been speaking of, so that we can, in practical ways, continue to lead our country as it goes through its fundamental social transformation.

We wish the 10th Congress of the South African Communist Party success in its deliberations.

Thank you.

*Issued by: African National Congress
2 July 1998*



The State, Property Relations and Social Transformation

A Discussion Paper towards the Alliance Summit

Introduction

The document entitled, *The State and Social Transformation* initiated welcome debate in the ranks of the NLM about the role of the state in the current phase of the NDR. The theses it propounded were further developed in the discussions at the Alliance Summit of 31 August 1997. Over this period, the various partners in the Alliance have elaborated their own positions on this issue, as reflected in the Strategy and Tactics document of the ANC, discussion documents of the SACP in the build-up to its 1998 Congress, as well as the resolutions and discussions at the last COSATU Congress.

This document seeks to build on these discussions in the context of the current phase of the NDR. For the history and relationship between the apartheid state and capital, reference should be made to *The State and Social Transformation*. This discussion document seeks to take these discussions forward, with emphasis on understanding state power and its various loci and the issue of the centrality of capital in the process of transformation. The document forms the first part of a discussion on the tasks facing the state; and it should serve as a basis for elaborating a concrete programme of action on the transformation of the state.

The strategic challenge of the current phase is to transform South African society to become truly non-racial, united, non-sexist and democratic. The question then is the power that the NLM commands to lead this transformation and the role of the state in this regard. While emphasis will be placed on the latter, it should be underlined that a critical element in this process is the active participation of the people as the drivers of change. This requires leadership by the ANC and the NLM in general and a vibrant civil society. Reference to social and other relations includes gender relations.

Strategic Objective of the NDR

The ANC's Strategy and Tactics document adopted at the 50th Conference defines the strategic objective of the movement as being "*the creation of a united, non-racial, non-sexist and democratic society. This in essence means the liberation of Africans in particular and black people in general from political and economic bondage. It means uplifting the quality of life of all South Africans, especially the poor, the majority of whom are African and female.*"

The S&T document however recognises that there are limitations regarding the extent to which the NDR can go in resolving the contradictions within society. It asserts that "*the creation of this new society will not eliminate the basic*



antagonism between capital and labour. Neither will it eradicate the disparate and sometimes contradictory interests that some of motive forces of the NDR pursue." And, in this regard, it concludes that "the task of the NDR is to eliminate the basic causes of the national grievance wherever and in whatever form they manifest themselves, and to manage the multitude of contradictions within society in the interests of this objective. Indeed, as we succeed in doing so, new social dynamics will play themselves out, redefining the challenges of the given moment as well as the political permutations that are consonant with the new challenges."

Arising from this are two interrelated questions which form the basis of the NLM's approach to transformation. **Firstly**, political power is not attained for its own sake, but to pursue given political and socio-economic objectives. As such, the state is not a neutral, non-partisan entity; but it is an instrument that is used to pursue the interests of a class or group of classes. **Secondly**, the battles around political power are in the final analysis about socio-economic resources and their allocation. Thus, at the core of any revolution is the issue of property relations: how classes or groups relate to capital in particular and resources in general.

The ANC is a multi-class organisation representing the interests of forces that were participants in, and broadly stood to gain from the victory of, the NDR: black workers, the black middle strata, black business in its various ramifications, the rural poor and others - all to varying extents denied opportunities under apartheid. All these classes and strata share a common interest in the advancement of the cause of social transformation. Yet, as the ANC's Strategy and Tactics document acknowledges, their interests, within this broader framework, converge and diverge. This is because the NDR is not aimed at resolving the central question of property relations: it does not seek to create a classless society. Rather the NLM aims to reshape these property relations in line with its non-racial and non-sexist principles, and at the same time to configure them in such a way that they serve the interests of the overwhelming majority of the people, most of whom are poor.

Defining The State

An understanding of "the state" needs to take on board the various forms of usage to which the word has been subjected. There is the concept of a nation-state (or many-nation state), which defines the state as a polity in relation to others. Included in the definition is the geographic entity and its integrity, the government in the sense of the political representatives, the machinery to maintain this integrity and civil order, the rules to attain this and the social relations obtaining in a given historical period. Other definitions narrow it down to the political institutions and the "state machinery"; whereas yet others confine it to the latter. For purposes of this discussion the second definition is used, with the understanding that the state represents class interests and therefore it is part of, and a player in defining, social relations.



It follows from the above, but should not always be assumed, that the state as the overarching social organism, does not sit in a perch above society as such. To the extent that it represents class interests, to that extent does it reflect social dynamics within these classes. To the extent that it circumscribes other class interests, to that extent does it position itself in relation to the dynamics within such classes. Further, the state is not the only terrain where class interests find expression, nor is it capable of reshaping class relations all on its own. In the broader sense, the concept of power should be interpreted to include relations in the work-place, in the home, in the schools and religious institutions - indeed everywhere where social life plays itself out. Yet, as a concentrated expression of social relations, as an institution wielding enormous power and resources, the state is for this reason the most critical area of contestation among classes: transfer of state power is thus characterised as the most visible and critical expression of a revolution.

The state guarantees and regulates property relations and rules of political, economic and social engagement in society. In doing so, it promotes specific social interests. Therefore, it should in its composition and outlook reflect these interests, and afford the classes and strata it represents the wherewithal to carry out their objectives.

Characterising The South African State

How do we then characterise the South African state in the current period?

The achievement of democracy has ushered in a legitimate government based on a democratic constitution, with elected representatives as the main determinants of policy. The rules governing the new society derive from a democratic constitution which contains universal principles of democracy and human rights and makes progressive reference to the issues of social rights.

However, while these principles find formal expression in the constitution, the new legal framework and doctrines, the instruments of state such as the army, police and judiciary remain largely in the hands of forces that were (and some still are) opposed to social transformation.

The implication of this is that the South African state still has to reflect - in its composition, practical realisation of doctrines, and broadly the capacity to carry out its multi-faceted functions - the social classes and strata that pursue social transformation. In other words, much transformation of the state itself is still required for it to become a true representative of the classes and strata that have brought about democratic change. Currently, ours is a state in transition.

Central to the issue of the role of the state is the question of public resources and their utilisation. Thus an important indicator of control of state power is the capacity or otherwise to set rules for, or actually determine, the accumulation and



employment of capital. Indeed, the current state is restructuring the budget in line with the objectives of the new ruling bloc; it is restructuring assets in the hands of the state along the same lines; it is setting out the framework within which capital is accumulated and allocated through measures such as Competitions Policy, Labour Legislation, Procurement Policy and so on. But there are many constraints given the composition of the state machinery; the shortage of resources; the complexity of the operations of modern capitalism; and the effects of globalisation.

An important element in any social transformation is the capacity of the forces undertaking the process to exercise hegemony of ideas. As in other areas of transformation, this remains a contested terrain; not only within the context of the role of the state; but also from the point of view of whether the progressive movement is able to set the agenda - whether its ideas are the "dominant ideas" within society as a whole.

In the overall, the kind of state that the NLM is building is one in which the democratic forces have the capacity decisively to use state instruments for purposes of social transformation. Twin challenges arise from this: firstly, the need continually to shift the balance of forces within the state and in broader society in favour of the movement for transformation; and secondly to use the power that the democratic movement currently commands to implement thoroughgoing changes. These tasks are not sequential but mutually reinforce one another in the same time and space.

Transforming the State Apparatus - Increasing the Power of the NLM

As *The State and Social Transformation* explains, we have inherited a state which was illegitimate and structured to serve the interests of a white minority. To perpetuate itself, the apartheid state had to rely on repression on a massive scale, as well as an aggressive policy against its neighbours. It also used public resources to try and buy off a collaborative stratum from among the black majority. The apartheid state even went to the extent of denying the territorial integrity of the country in pursuit of its bantustan policy. To attain all these and other objectives, it became the seedbed of corruption and criminal activity both within the country and abroad. The apartheid state subverted all sensible social rules and mores - it was the Headquarters of the South African crime against humanity.

The NLM cannot therefore lay hands on the apartheid state machinery and hope to use it to realise its aims. The apartheid state has to be destroyed in a process of fundamental transformation. The new state should be, by definition, the antithesis of the apartheid state. It is legitimate and serves the interests of the overwhelming majority. It is based on a democratic constitution, a culture of human rights and maximum openness. It seeks to use public resources to better the lives of the majority, especially the poor. It is determined to root out corruption and criminality; and it does not rely on buying off sectors or groups to win their

allegiance. It pursues the interests of the motive forces of change; and it strives in many respects to become a state of the whole people.

Transformation of the state entails, first and foremost, extending the power of the NLM over all levers of power: the army, the police, the bureaucracy, intelligence structures, the judiciary, parastatals, and agencies such as regulatory bodies, the public broadcaster, the central bank and so on. This is not in contradiction to the provisions of the constitution which characterise most of these bodies as independent and non-partisan. Control by democratic forces means that these institutions should operate on the basis of the precepts of the constitution; they should be guided by new doctrines; they should reflect in their composition the demographics of the country; and they should owe allegiance to the new order.

If we are correct in characterising the state as an important terrain for the expression of class dynamics within society; and if the assessment that we have not as yet attained all levers of power is accurate, so should it follow that those who serve the interests of the old order will resist change both from within and outside the state. The democratic movement should therefore have a coherent and systematic strategy to change this state of affairs. To illustrate: in these four years of democratic government, what have we done to train and deploy personnel in strategic areas within the state - positions in the security forces and the bureaucracy such as pilots, air controllers, immigration of finials, finance management and information technology!

Where this has happened, has it not been an incidental consequence of ad hoc management? Have we often not allowed ourselves to be distracted by the shallow protestations of the Opposition backed up by the media? Have we been sufficiently open with the people about the problems we face and the challenges that lie ahead or have we reinforced the false impression that "*we are fully in charge*"!

Some of the questions that will need to be addressed as part of a practical programme of action; and the relevant balances that will need to be struck are:

- We need to review progress in the elaboration of the new doctrines that should guide each state organ. This should be pursued along with the task of changing the composition of these state organs as illustrated above. Further, systematic preventative and contingency measures should be worked out to deal with counter-revolution. This should include measures aimed at thwarting attempts aimed at establishing "a parallel state" in the form of private security companies, parallel intelligence agencies and so on.
- Defining the size of the state and its various organs in line with its new tasks is the other challenge. Unlike the apartheid state, the NLM cannot rely for its political sustenance on patronage and a callous disregard of public resources and the needs of the poor. Nor can the NLM sustain an approach that perpetuates payment for work that is not done by continuing to have in



its salary bill "*supernumeraries*". The democratic state should in principle handle public resources with respect and a sense of responsibility. This includes ensuring that public resources allocated for specific purposes actually reach the intended beneficiaries.

- The resources in the hands of the state should be expanded on an on-going basis, primary among which sources should be a growing economy. A concerted campaign around the issue tax morality; efficient management of public resources and a ruthless campaign against corruption; a rigorous system of monitoring re-prioritisation within departments and agencies with appropriate penalties for defaults at all levels; and other such measures are required.
- In addition to this, the issue of defining fiscal deficit targets needs to be further debated. On the one hand, the principle that the democratic state cannot rely on borrowing to meet its social deficit is both economically and politically sound. Arguments in favour of this include the sustainability of development, the global terrain in which we operate, the ripple effects of large deficits on most other indicators which impact on the poor such as inflation and high interests rates and so on. On the other hand, an approach, to paraphrase the State President, of behaving like fools who cut their noses to spite their faces - to cut services to the poor in pursuit of fractions of deficit targets - is suicidal both economically and politically. A proper balance has to be struck between the two extremes. In brief the state has the task of maintaining the necessary macro-economic balances, not for their own sake, but in the interest of sustainable development.
- Transformation of the state also means a clear programme to restructure state assets in the interest of development which favours disadvantaged sectors of society. This requires, as has been resolved in the National Framework Agreement, an approach that is not premised on rigid dogma; but a case-by-case assessment of the pros and cons of particular actions in the short and long-term; as well as conduct that benefits workers, black entrepreneurs and society in general.

These then are some of the areas that will require further programmatic elaboration. In the overall, the NLM is committed to a strong and efficient state that is tenacious in its loyalty particularly to the poor. Transformation of the state is not synonymous with the dismantling of the state, rendering it irrelevant or redefining its role in such a way that the democratic movement ends up with a diffuse system of social cohesion and coercion. This type of anarchic approach, reflecting suspicion of state power per se, which hides behind declarations about the importance of civil society, can be as destructive as the neo-liberal agenda that seeks to transfer the power of the state to the private sector. At the same time, an instrumentalist approach to state power, which sees the state as the all-powerful instrument protecting and delivering to a passive populace can be as dangerous because it leads to the demobilisation of the motive forces of change. Further, in

our situation, the issue of division of labour among the various spheres of government - national, provincial and local - may in time have to be revisited in the light of concrete experience.

The Centrality of Capital and Property Relations

The emphasis above on the issue of capital and resources derives from the understanding that economic relations are at the centre of social transformation. The saying that politics is a concentrated expression of economics should serve to remind us of who we are and what we are about.

In the final analysis, one of the basic objectives of the NDR is to transform property relations: to redefine the relationship that individuals, sectors and groups have to capital. The NDR does not aim to reshape property relations in the most fundamental way of creating a classless society where there are no exploiters and exploited. It does not seek to eliminate capital and capitalism. However, by definition, the NDR must see to the de-racialisation of ownership, accumulation and allocation of capital; and it should do this in a manner that benefits the poor.

What then is capital? For purposes of this discussion, capital is defined in a broad sense to include resources in private hands, within the state and in the hands of the public in general. These resources are used for productive purposes, speculation, social services and other activities. How the democratic forces and their state regulate this capital; how they utilise what they possess; and how they restructure the relationship of various sectors of society to capital is the central question of the democratic revolution in this post-1994 phase.

This arises not only in the context of the broad issue of economic power raised above; but also because our revolution takes place in an epoch in which the most critical battles for multifaceted hegemony play themselves out in this terrain. While the threat of counterrevolution which trains its "guns" on state power per se is real; the more strategic contest is taking place beneath the superstructure: it is about the ownership and control of resources and the freedom of the state and the classes it represents to regulate and manage the accumulation and allocation of capital in their own interest. This includes capital flows and the question of investor confidence; it includes manipulating factors that affect the value of the currency; it includes struggles around issues of procurement; it includes battles on the freedom of state lending institutions to pursue policies that encourage productive investment and are, naturally, seen as undercutting the profits of big financial institutions; it includes the contest around the savings of the poor; it includes the endless crooning about the so-called "lowering of standards" in social services; it includes pressure around the question of privatisation. Related to this are the activities of trans-national crime syndicates whose activities, including money laundering and drug trafficking, by definition thrive in a situation in which the state is weak.

As in other colonial countries, South African capitalism evolved in a skewed manner. On the one hand, it emerged on the foundation of mineral extraction and relied heavily on this for many decades. On the other, it was founded in the tradition of big imperial companies and later Afrikaner capital which speedily developed, or was co-opted, into the courtyard of monopoly capital. The development of a manufacturing base especially in the 1950s and 60s was underpinned by the large mining houses, along which had emerged a financial sector which was part of the same circle. The state also became an instrument to accumulate, utilise and allocate capital in the interest of the white community in general and the white Afrikaner sections in particular. The farming sector and small and medium enterprises among whites were also in the main beholden to an evolving state monopoly capitalism. Their growth and successes were achieved in the same measure as any real or potential accumulation in the black communities was suppressed.

The economy in our country is thus characterised by a highly centralised and concentrated system of ownership, overwhelmingly in white hands. The entry of blacks into the monopoly sector has not started to dent this. The same applies in large measure to SMME's. Over the years, the growth of the black section of the working class and, in a limited way; the middle strata has created an army of savers who by sheer numbers have become a significant though largely latent force in the financial terrain. There are also many new trends including the mergers among large financial institutions and, as with the mining conglomerates in the 1980s, movement towards their positioning internationally as global players. South African capital can thus be disaggregated as follows:

- large private conglomerates in the productive and financial spheres;
- large institutional capital such as pension and provident funds, most of it located in the above;
- state or public capital in the form of parastatals and the fiscus itself; and
- small-scale community and co-operative/social capital.

The NDR, The State And Capital State and Private Capital

What then is the intervention expected of the state in relation to capital and property relations? To recapitulate, this can be summarised as de-racialisation in a manner that serves the interests of the poor. A corollary of this is that the NDR and the state presiding over it coexist with private capital at the same time as they reconfigure the relationship of sectors of society to private and other forms of capital. A dynamic of engagement, identification and promotion of mutual interests, and consistent struggle characterise the relationship between the state and private capital. It is in a sense a case of the unity and struggle of co-existing opposites.

An important element of the tasks of the state is ensuring that the glass ceiling of apartheid is removed from above the aspirations and ambitions of the black middle strata and capitalist class. In a systematic way, the NDR has to ensure that ownership of private capital at all the levels tabulated above is not defined in racial terms. Thus the new state - in its procurement policy, its programme of restructuring state assets, utilisation of instruments of empowerment, pressure and other measures - promotes the emergence of a black capitalist class. Yet if this were to be an end in itself it would be a sure way to abort the NDR. While these forces are direct beneficiaries of the NDR and share an interest in its advancement in the current phase, they can easily be co-opted into the agendas of their white counter-parts; and they can easily also become a source of corruption within the state. ANC leadership of these forces is therefore critical.

The unity and struggle between the new state and private capital express themselves partly in the form of the regulatory and guiding role of the state. Three interrelated functions emerge from this:

1. The state is interested in, and promotes the involvement of, private capital in the expansion of the economy; and it seeks to guide owners of this capital towards projects that create jobs, expand or initiate specific industries that contribute to development, exports and so on. An economy that grows in a focused way helps the process of redistribution by means of taxation, job creation, improvement of services, and human resource development. At the same time, the private owners of capital are able to make profit and therefore gain from "unity" with the new state.
2. In order to ensure that the economic system functions in an orderly way, in its task of promoting the interests of its mass base, and in order to obviate and contain market failures, the democratic state utilises a range of regulatory mechanisms. Competition policy; legislation on equity, labour relations and skills development; legislation and regulations on the operations of the stock market; consumer protection measures; taxation laws and others form part of this rubric of supervisory and regulatory functions of the state in relation to private capital. To the extent that this limits the rapacious licence of capital, this constitutes an element of "struggle" between private capital and the state.
3. The state, the NLM and progressive civil society in general are critical in defining the terrain of discourse around matters of ideology and economic policy. To the extent that the relationship of unity exists between the state and private capital, to that extent will the latter try and co-opt the NLM to its own agenda. To the extent that there is struggle between the two, to that extent will private capital use its positions of power with regard to the media of discourse to undermine the new state. Therefore, battles around issues of ownership of media, distribution and transmission channels, diversity in the media houses, and generally access to information and media of

communication by the majority of the people are critical to social transformation.

State Capital and Resources

The state relates to capital in the broader sense not as an outsider peering over what is otherwise a private and exclusive terrain. It is itself an owner of huge resources in the form of public corporations and the fiscus. Indeed, a failure to define in very clear terms the strategic interventions that the state can make to the evolution of property relations through public resources would spell doom to the transformation project:

- The redistributive function of the fiscus encompasses programmes to meet social needs, including a welfare safety net and human resources preservation and development. Besides the question of the balance between the budget and social deficits referred to above, a critical question of the paradigm of such redistribution needs to be examined. On the one hand, it is unavoidable that, with such programmes as welfare and maintenance grants, UIF and others, the state disburses resources to an individual citizen. Yet, is it correct that state resources - capital in state hands - in an area such as housing should be used primarily to promote individual exclusive ownership without some form of social partnership? What then happens is that state capital is parcelled out into individual and ineffectual capital without accompanying social responsibility. The same could be said about an attitude to Public Works Programmes - again capital in the hands of the state - as an alien entity to which communities relate as workers demanding a living wage and better working conditions. In what ways can such capital, in housing, public works and other areas be transformed into community social capital which communities can together utilise for their collective benefit?
- Capital in the hands of the state also relates to the ownership of assets and the restructuring thereof. This includes efficiency, redefining the role of the state as the sole or main shareholder, directing these enterprises towards RDP objectives, changing management composition and practices and so on. The capacity to use these entities to make critical interventions in the broader operations of the economic system is one indicator of the orientation of a particular state. In transport, telecommunications, energy and other sectors, state ownership is meant to serve a particular facilitating and servicing function. Some of the areas relate directly to issues of state security. As indicated above, our approach to the issue of state ownership is not guided by dogma. Yet we should also consciously guard against denuding the democratic state of the little capital it has, allowing private companies to undermine public corporations such that we end up with a country's strategic areas regulated and run by the private sector.

State and Finance Capital



An area which forms the bedrock of property relations; which helps to define the direction of development or whether there is such development at all is the financial sector. It is subject to debate whether the NLM has elaborated an adequate framework, let alone a programme, to address this area.

Firstly, the role of state lending institutions is critical in ensuring that inadequacies of the market are addressed both in terms of areas of investment and development of SMME's. Related to this are funds set aside by the state to promote specific projects such as Umsobomvu Fund, Poverty Relief Fund, and the spectrum of resources to assist black entrepreneurs. To what extent have we allowed the private banking sector to limit the space within which particularly the state lending institutions can operate?

Secondly, there has been a level of disjuncture in the manner in which monetary policy and the broader programmes of economic revival and development have been handled. This is a matter that requires urgent attention, without undermining both the independence of the central bank and the need for macro-economic balances.

Thirdly, little attention has thus far been paid to the private allocative sector of capital and any regulation that may be necessary. Thus South Africa evinces a contradiction of massive proportions: envied by other developing countries for the huge financial capital base it commands, but least able to ensure some rationality in the allocation of this capital, particularly for productive purposes. The tendency within the NLM is sometimes to propose solutions that would be way out of line with current realities, such as punitive taxes. Yet as dangerous a tendency is to be so awed by finance capital that we throw the NLM prostrate in front of this sector as if in pagan prayer.

Social Capital

In rudimentary form and as yet not defined in a systematic manner is the social capital that resides and circulates among communities. Stokvels, burial societies and others command significant resources given their environment. Under-developed and with little formal backing, this capital is either co-opted by large financial institutions or, at best, destined to lose value in trunks and under mattresses. Most critically, it should be noted that the social forces which participate in these schemes are also the same forces which have provided the insurance and provident funds with the billions used for speculation on the stock exchange. The emergence of investment and allocation strategies by the trade union movement, using such capital, is a major advance that should be utilised for strategic purposes. It is to be appreciated that at least COSATU has started to debate the allocation of such capital and the strategic implications of such decisions.

Of what significance can the alliance or pooling among state capital, the various forms of social capital, and these institutional funds be in the balance of property relations? This requires its own research. But what can be asserted without fear of contradiction is that such an alliance will help ensure that the state and civil society do not only de-racialise private capital; but also start to strengthen, in the interest of the working people, a new set of property relations that help to redefine the social terrain.

Towards an Understanding of a Developmental State

The totality of the measures outlined above, and the very strategic objective of the NLM, imply that we are pursuing the kind of state whose character is developmental. Development is about improving the quality of life; it is about equity and justice. As the RDP document asserts, development entails a growing economy in which redistribution is a critical element; it includes modernisation of the productive forces and a redefinition of production relations. It includes the preservation and development of human resources in the form of skills-training, job-creation and the provision of education, health services, infrastructure, an adequate social security system and so on. It is also about democracy and popular participation.

A developmental state therefore should be founded on principles of democracy, justice and an abiding culture of human rights - conditions which afford people not only the right to benefit from activities of the state, but also to take active part in improving their lives. This requires, among others, a culture of openness in the operations of structures of government and the machinery of state. It obliges the state to ensure that the citizens are informed of policies and activities of government, and that they themselves take part in their formulation and implementation. It also requires political and civil society organisations and institutions which are accountable and in constant touch with the people.

A developmental state should use the resources that it commands to ensure redistribution of wealth in the interest of the poor and disadvantaged. It should put in place regulatory and other mechanisms that not only seek to obviate market failure, but also afford the state the capacity to intervene in a pro-active way to facilitate growth and redistribution. The fiscal and monetary policies it pursues should not only be mutually consistent, but also help facilitate its prime objectives.

A developmental state however does not benefit only the poor and disadvantaged. Growth and development require capital investments; and these reside primarily in private hands. Therefore, a developmental state has to define and regulate its interaction with private capital in such a way that mutual benefit can be derived. This includes an industrial policy that helps to direct private capital into critical sectors; and a labour market policy that prevents super-exploitation and encourages skills development and work-place democracy. It includes offering aspirant black

capitalists opportunities which in fact encourage the expansion of this class. A developmental state should also be able to strike the correct balance between state ownership of productive forces and private ownership, guided, *inter alia*, by the prerogatives of strategic interest, efficiency, technology-transfer, affordability of services and narrow cost-benefit considerations.

Leadership and Mass Participation

A developmental state prioritises the interests of those who are in need of development - the poor and disadvantaged. It is therefore a state which should reflect, in its composition, doctrines and culture, the classes and strata which stand to benefit from transformation. These forces should be in command of state power. They should be in the driving seat of policy formulation and its implementation. What does this mean in actual practice?

In the "narrow political" sense, mass involvement - a people-driven programme - should derive from vibrant political organisation:

- One expression of mass involvement is the election of public representatives on the basis of clear mandates; accountability of these representatives to their constituents; and together with the people identifying the priorities at local, provincial and national levels.
- This implies the existence of an active political movement leading the process of transformation. Such a movement should exist in the people's midst; give leadership at the same time as it learns from the people; involve its members - who should in turn be in touch with people - in developing policies and priorities. It should be a movement that mobilises people to take up their issues, including campaigns of project prioritisation and implementation, mass action around given issues, and fore on matters such as policing and local development.
- This also requires a style of work on the part of legislative bodies and state institutions which encourages input by civil society. Legislative public hearings, road-shows, consultation and partnership with interest groups, multi-purpose community centres, effective government communications, vibrant media supportive of transformation and other forms should afford CBOs, NGOs, communities, interest groups and individual citizens the opportunity to take part in or influence the formulation and implementation of policy.

In other words, people engage in social change through both "political" and "civil" forms of organisation. The latter includes sectoral organisation as workers, students, business, women, youth, professionals, community civic bodies as well as NGOs. All these forces should be mobilised to take up issues affecting them, and in various ways shape the content and direction of development. Whether this engagement becomes conflictual in relation to the state depends on policies and

practices of the latter; but also on the political consciousness within these bodies. It is therefore a continuing challenge to the ANC as the leader of the process of transformation to ensure that these forces pursue their narrow interests within the context of the overall strategy of social change. Ideally, a developmental state and civil society should co-exist in a broad partnership of nation-building and reconciliation, reconstruction and development.

Through elections and participation in political structures an community fore, the people will help define the broad mandate of government, including legislation, programmes and projects. At local level, a more detailed engagement will be possible, including working out council budgets and priorities, identification and implementation of projects, collective ways of improving security, social services and so on. Through local fore and other means, both national and provincial structures will interact with communities and ensure that their interests are taken into account when policies are formulated and implemented. The importance of district "one-stop" government centres in this regard cannot be overemphasised. However, it cannot be expected that each and every detail of government work, within the broader mandate, will have to go through the channels of public consultation.

The same form of hierarchy of information and determination of mandates applies to party political leadership of governmental work. Conferences determine the broad mandate; and party political bodies corresponding to appropriate levels of government ensure supervision of the implementation of this mandate. Since 1994 conventions have been developing within the ANC and the Alliance. The overriding principle must be that there should be as thorough a sharing of information as practicable. This also requires structuring of meetings in such a way that such supervision can be strategic and not administrative. At the same time, room must be left for the governmental executive and the public representatives in general to exercise their prerogative and initiative in the realisation of the policy mandate.

It is in the nature of transformation that there will be various manifestations of counter-action by those opposed to change. Mass involvement is therefore both a spear of rapid advance and a shield against resistance. Such involvement should be planned to serve the strategic purpose, proceeding from the premise that revolutionaries deployed in various areas of activity at least try to pull in the same direction. When "pressure from below" is exerted, it should aim at complementing the work of those who are exerting "pressure" against the old order "from above". This challenge applies to all democratic forces, but it should also be posed particularly in relation to public sector unions who are at the coal-face of the challenge of restructuring the state.

However, to the extent that there will always be sectoral interests; to the extent that these interests - among the motive forces of change - may not always coincide; to



the extent that immediate sectoral interests may not always serve the general interest; to the extent that the choice of the path to the common objective may not always be consensual; to this extent and more, will there be "contradictions among the people".

Who then mediates these contradictions? To identify the state as the mediator is misleading. The state is an instrument of transformation in the service of class interests, at the helm of which is the ANC and its allies. As such, the first port of call to mediate and manage these "secondary contradictions" should be the ranks of the political movement which in turn guides the state.

In the past few years, weaknesses in our structures and a tendency to be mesmerised by state power as a "thing-in-itself" has led to unhealthy tension in the relationship between the state and the political movement of transformation, the ANC and its allies. This requires rectification both at the conceptual level and in the hard slog of organisational reconstruction. It requires the elaboration of a programme of action by this political movement which mobilises the people to use all avenues open to them, including the elements of state power they command, for purposes of speeding up the transformation process.

The State and Challenges of Globalisation

Capital and labour have over the decades tended towards international deployment and solidarity. The constant search for cheaper labour, raw materials and markets have chased capital all over the globe. At the same time, the development of productive forces and capital's relentless pursuit of profit have spurred on the concentration and centralisation of production and wealth. In its wake, labour solidarity has, out of necessity, transcended industries and state borders. The tendency towards internationalisation is therefore a necessary product of capitalism and the fight against it.

In the past two decades, this process has been speeded up by the rapid development of productive forces in the form of the new technological revolution, the collapse of the Bretton-Woods Agreement, the consolidation of powerful transnational corporations, and the relaxation of trade barriers and impediments to capital flows. Combined with the collapse of the socialist bloc, this has led to the emergence of what is referred to as globalisation. As such, while political and ideological factors do influence the form and content of globalisation, the fact of internationalisation itself cannot be divorced from the very modernisation of productive forces which is at the centre of social development. Given the dominance of big corporations within and across national boundaries, and given their control of the process of technological development, domestic and international relations have tended to be defined in their terms.



With the collapse of Bretton Woods and the relaxation of barriers to capital flows, a new predatory form of profit-making has taken root in the form of speculation around currency prices, market shares as well as derivatives which have widened the gap between value and price (be it of capital stock or currencies or money itself). If in the past the bourgeois state blatantly represented the interests of private capital, today its enslavement is even the more pronounced, with its policies and actions beholden to the whims of owners of stupendously large amounts of capital which is in constant flight across stocks, currencies and state boundaries. More often than not, governments even in the most advanced countries assert their role in the economy merely by "sending signals to the markets", which they can only second-guess. If in the past, the Bretton Woods institutions (the IMP and the World Bank) and the World Trade Organisation pursued the same interests as these powerful corporations and governments, today their prescriptions are turned on their heads as "the animal spirits" sway moods in a set of motions that have no apparent rhythm or logic.

Yet there is rhythm and logic. It is the logic of unbridled pursuit of profit which has little direct bearing to production. It is true that free flow of capital in stock exchanges and banking operations does have the potential to encourage allocation of capital to the most deserving of productive enterprises. It can bring about market efficiency in the form of optimal allocation of resources. But it is precisely this principle that the trillions - lavished in speculation especially in derivatives - negates. Thus individuals with huge amounts of capital can beggar whole economies in activities that are distant from production.

In a world in which armadas and flotillas cannot be credibly deployed for purposes of political and economic dominance, the question can no longer be postponed whether such capital is being, or can be, used to pursue political agendas!

What this in fact means is that, in terms of the broad array of economic and social policy, information and even political integrity, the state has lost much of its national sovereignty. This applies more so to developing countries. While on the one hand they are called upon to starve and prettify themselves to compete on the "catwalk" of attracting the limited amounts of foreign direct investments (FDIs), they are on the other hand reduced to bulimia by the vagaries of an extremely impetuous and whimsical market suitor!

Can a developmental state survive, let alone thrive, under such conditions? The answer is, yes! The starting point should be that constructors of this concept should not live in a fool's paradise. They cannot pretend that they operate in an environment entirely of their own making. This requires an engagement with capital to extract as much benefit as possible from the technological revolution, comparative advantage in trade, pooling of markets and production possibilities, and prudent use of resources and conditions that they possess in abundance.



It means negotiating the myriad of international norms and regulations in such a way that elements that can indeed benefit the nation-state are exploited to the full. It also means that developing countries should collectively seek to influence current international economic relations to eliminate senseless beggaring by short-term capital flows.

What is of even greater significance is that many forces, both within and outside government, both in the developed and developing world, do appreciate the disadvantages of the dictates of multinationals and particularly the predatory nature of international financial capital. A significant sector of humanity is honestly searching for answers to these problems; and the ANC alliance is part of this global movement.

While eschewing a voluntarist approach to the pursuit of our ideals, we should be strengthened by the real needs and aspirations of our own people as well as the global search for forms of social and international relations that take on board the need to build a better quality of life especially for the poor, who in our country are in the majority.

In this respect, the following questions, among others, require attention:

- For us, as any other developing country, the issue of regional integration and, on our continent, the African Renaissance is not a matter merely of ideological, sentimental or cultural preference. Nor is the principle of South-South dialogue. Both are an economic and political necessity. The programme that we pursue to attain these objectives should be systematic and purposeful: both to enhance the collective voice of these countries and to secure practical arrangements that are in their interest. What is patently clear is that, if sovereignty is being undermined by globalisation, developing countries and their allies do have an obligation to pool their own sovereignty.
- The disaggregation of South African capital outlined earlier, has much relevance as a methodology in dealing with international capital. For a start, there is mutual benefit that can be derived from relations with productive corporations, large and small. Secondly, large amounts of capital in the developed countries that can be allocated for productive and developmental purposes - such as pension funds - reside in the hands of, or at least originate from, the working people. These are forces that have an interest in our growth and development. As the NISI succeeded in mobilising these forces for effective antiapartheid action in the past, so can they be mobilised today in pursuit of FDI and development.
- The forces searching for a better world order include, to varying degrees, parties and movements that enjoy significant power in the developed countries. These forces, including in particular, members of the Socialist International, share most of our views regarding the nature of globalisation

and how it can be tamed to serve the interest of development and poverty alleviation. In broad terms, many of their positions are similar to those of the working people and developing countries. Should we stay aloof from this movement (the Socialist International), hoping that we can continue to portray the ANC and the country as a unique island which is everything to everyone?

The bankruptcy of some of the precepts of world financial institutions is generating honest soul-searching among economists, politicians and others, including within the World Bank, the IMP and UNCTAD, as well as associations of developing countries. We should encourage, and become an active part of, this discourse. Our approach should be premised on the interest of the poor and disadvantaged, not only in our own country but across the globe. As such we should seek to encourage creative solutions which go beyond the occasional doses of superficial prescriptions aimed merely at ensuring that capitalism survives another market crash. Rather we should urge for fundamental solutions that aim to harness the market in the interest of equitable world growth and development.

Conclusion - Practical Challenges

The issues raised above are aimed at helping engage the mind of the Alliance in refining its understanding of the challenges we face in the new terrain of struggle. It is critical that the ANC and its allies elaborate a programme to address, among others, the following issues:

- The restructuring of the state, including issues of doctrines, deployment, optimal size and role, state expenditure and the budget deficit.
- The programme of branches and members of the ANC and its allies in respect of the restructuring of the state and ensuring mass involvement in the process of social transformation.
- Review South Africa's financial system and mechanisms of allocation of capital, to explore ways and means through which optimal systems can be put in place for purposes of growth and development.
- Examine strategies for the most effective utilisation of capital that is owned by, or originates from, the working people, including pension funds, stokvels, resources in the hands of the state, and so on..
- The programme for our country and movement to take active part in the efforts of developing countries to alleviate their conditions, as well as to influence international discourse on matters of globalisation.
- The international alliances that the ANC should join or initiate, the platform that should determine this; and particularly: should the -ANC join the Socialist International!

The African Renaissance: Women in the Forefront of Social Transformation

By Mavivi, Y.L. Myakayaka-Manzini, MP

Introduction

When we talk about the African renaissance, it is important to give a historical background on the origins of the African renaissance as a concept. Renaissance is not a new terminology, nor did South Africans coin it. Another word for renaissance is reconstruction and this is what we have been talking about since 1994. We often use the term 'reconstruction' to indicate a new beginning just like when we repaint or refurbish a house.

The Origins of the Concept of Renaissance

Now in terms of history, or scholarly talk the idea of a renaissance started in Europe and it relates to a time during the 15th and 16th centuries. This was a time when social movements were expected to undergo both a quantitative and qualitative change, and amongst other changes that had to happen the most important was:

- Scientific advances in technology and biochemistry;
- Round the world journeys of exploration;
- An increase in trade by sea;
- The invention of the printing industry;
- The beginning of what was called the freedom of thought and the need to increase knowledge; and
- The flourishing of art as a form of expression and cultural identification;

Having said all this, we do however, need to ask what was the composition of that renaissance? What was the driving force? These questions constitute what were the essential ingredients of that renewal.

Clearly the main movers behind this renewal were those who were involved in the new trade industry. This class wanted to increase their economic wealth through travel and the overthrowing of foreign markets. These traders had their own skilled scholars and artists who spread the pleasures and powers brought about by wealth. Thus there was collaboration, between these scholars and the feudal lords, as they reasoned that the voyages of discovery served as the means to relieve economic, political and demographic constraints within their own countries.

So, it is correct to stress that one of the crucial aims of this renaissance consisted of the seizure of foreign markets and kingdoms, which culminated in the colonisation of 'other' nations. In addition, the political vision and material needs of the said class derived enormous benefits from a developed economic and technological social base as well as a stable political force.

The Concept of the African Renaissance



The question we have to ask ourselves then is in what way does the above relate to Africa? How do we define or visualise this renaissance in relation to our lives today? To answer the above, it is imperative that we look at the journey this continent has travelled to date. Here we isolate three catalysts that induced an African revival or renewal.

- Firstly, the independence of Ghana in 1957.
- Secondly, the collapse of socialist states in 1989.
- Thirdly, the end of the Cold War and the resurgence of more open political and economic renewal in Africa that surpassed the decolonisation process of the 1960's.
- Finally, the need for democracy in the whole of Africa which energised the people of this continent far more than the nationalist movements. This need for democracy culminated in the liberation of South Africa.

The first two phases of the African rebirth overlap with each other, and as such can be said to have served as a dress rehearsal, because they had important lessons for the third phase that we now call renaissance. In essence this confirms our knowledge that African renaissance is not a new concept. For example African scholars and leaders, who were interested in the economic development of Africa, like De Boise, Senghor, Mazrui and others also supported an African renaissance. Thus what South African leaders and scholars are reintroducing this concept within an Africa that is free of colonialism and apartheid.

Many theories have been advanced about the failure of Africa and other developing to effectively utilise the first two phases of political liberation to emancipate these countries' social and economic suppression. However, the truth of the matter is those, African leaders whose countries attained liberation in the 1950's and so on understood the interconnectedness of countries within this continent. Hence, they firmly stated that it was not possible for their countries to achieve full independence whilst South Africa remained under colonial rule. As a result we can safely say that it is probable that our freedom is likely to enable our continent to focus on socio-economic problems as equals, and without any external constraints.

What the above illustrates is that the failure of Africa to achieve social and economic emancipation during the first two phases of political liberation, was due to the fact that the donor countries determined the relationship between African nation states and the major political countries. In addition, it is likely that the ideological, economic and strategic obligations of the Cold War reinforced the unequal political and economical relationship between Africa and the rest of the world.

Furthermore, the different ideological beliefs that made up the membership of some of the organisational instruments of developing countries like the Non-Aligned Movement and the Organisation for African Unity made these bodies ineffective. These bodies ended up as ineffective ideals that did not have the ability to empower developing countries to secure their independence from the adversities of the Cold War. Today, it is widely believed that political decolonisation during this period did not deliver the African people from economic and social underdevelopment.

It is unfortunate though that as yet the practices of Cold War have not been replaced by a New World Order characterised by:

- The restructuring of international social, economic political relations; and



- A guarantee for mutual respect and redress of the legacies of colonialism and neo-colonialism;

Instead, the bi-polar world of the Cold War has been replaced by the tri-polar economic and social world that is comprised of North America, Europe and East Asia. As a result, the material basis of this world is to revolutionise the production and distribution of micro-electronic and biochemical industries in communication and the creation of knowledge. Inevitably, this tri-polar competition is threatening to marginalise the African people, and it is likely that marginalisation could become worse. In the sense that conditions have changed our continent no longer serves the strategic interests of the big powers as it has did during the Cold War.

Today African countries find themselves in direct economic competition regionally, with Eastern Europe and East Asia inasmuch as these countries strive for global economic integration. In essence, economic globalisation has come to mean competition largely between the three major economic centres of America, Europe and East Asia. Accordingly, at the present moment there is insignificant capital flow between the West and Africa, as compared that of Eastern Europe, East Asia and Latin America.

The lesson to be drawn from these circumstances is that the Africa's quest for political, social and economic emancipation is dependent on our individual and collective ability to employ significant and collaborative influence in the sphere of international relations. In reality our preparation for and entry into the 21st century will only reflect the evidence of our seriousness in our pursuit for the African renaissance. Therefore, it is not the 20th but the 21st century that is likely to be the historical era of the African renaissance.

The African renaissance is a vision of continental renewal/reconstruction and reawakening, and is based on the:

- Economic recovery of the African continent as a whole;
- Ability to establish political democracy throughout the continent;
- Demolition of neo-colonial relations between Africa and the world economic powers;
- Mobilisation of Africans to reclaim as well as direct the continent's destiny; and
- Acceleration of people-centred or people driven economic growth and development;

This vision qualifies an historical context that grounds the African renaissance in African people's struggle against colonialism, racism and patriarchy.

In his address to the Corporate Council on Africa Comrade Thabo Mbeki, the Executive Deputy President of South Africa, says to effect this African renaissance we should take cognisance of the fact that:

"There exist within our continent a generation which has been victim to all the things which created (Africa's) negative past. This generation remains African and carries with it an historic pride, which compels it to seek a place for Africans equal to all other peoples of our common universe".

He goes on to say this generation:



"...Knows and is resolved that, to attain that objective, it must resist all tyranny, oppose all attempts to deny liberty by resort, repulse the temptation to describe African life as the ability to live on charity', engage the fight to secure emancipation of the African woman, and reassert the fundamental concept that we are our own liberators from oppression, from underdevelopment and poverty, from the perpetuation of an experience from slavery, to colonisation, to apartheid, to dependence on alms. It is this generation whose sense of rage guarantees Africa's advance towards its renaissance". (Attracting Capital to Africa 19-22, 1987; Chantilly, Virginia, USA).

As we enter the 21st century we have to pose those important factors, I spoke about earlier, namely, what constitutes the content of the present African renaissance, and what are its motivating forces. History has a tendency to repeat itself, however, like a spiral, by the time it comes around; it is at a higher level of human existence. In that context, the factors that made up the historical renaissance are now visible in our lifetime, but the requirements are greater than previously.

For example, today's scientific advances of that era can be seen in the micro-electronic technology. Likewise, the printing can be likened to the information superhighway; Increased sea trade of those days is the same as globalisation. Finally, the need for freedom of thought, democratisation and openness of societies etc. etc. Therefore, our societies are bound to take advantage of these advances, in order to prepare for the challenges of the 21st century.

The African Renaissance and the Asian Resurgence

It is difficult to discuss the possibility the rise of the era of renaissance in our continent, without occasionally alluding to the new Asian Renaissance. It is largely acknowledged that historians, economists and politicians do not understand the phenomenon of the Asian resurgence. However, those of the African continent who are engaged in the social transformation of their societies cannot afford to ignore its historical significance, as well as its downright socio-economic magnitude. As a result, it is imperative that when we plan and/or our vision for our own renaissance should draw lessons from this renaissance.

The birth of the East Asia economic miracle is one of the most important socio-economic developments of the 20th century, to the extent that to a certain extent, the term globalisation has come to mean competition between East Asia and the West. For Africa, times, miracles gives us hope as well as show us that economic development can be fast and that it can be attained without the annexation of foreign markets through imperial physical force. To illustrate this economic transformation, it is important to point out that in 1960 South Korea's GNP was the same as that of Ghana, but today the former country's GNP has grown ten times more.

One of the main reasons for the African renaissance is the need to enable African to rid themselves of the legacies of colonialism and neo-colonialism in order to situate ourselves on the global stage as equal and respected contributors, as beneficiaries of all the achievements of human civilisation. Just as the continent was once the cradle of humanity, and architects of civilisation. Today East Asia sets the benchmark of global standards in many industrial products.

Thus we regard this call for an African renaissance as an instrument that would enable the world to rediscover the oneness of the human race. One of the primary force that constitute



the content of this renewal is the construction of a growing and sustainable economy that is capable of assimilating the best characteristics, contribute and take and take advantage of the real flows of economic activities around the world. In a nutshell what we mean here is that no experience is unique so as to exclude others from learning something from it. However, this statement takes cognisance of the fact that what exactly is to be learnt and to what degree from any particular experience would differ from country to country.

Emphasis on sustainable growth and competitiveness does not imply that the wave of an African renaissance cannot start before this economic reality is realised. What is certain, however, is that this economic condition is an essential ingredient for the survival and consolidation of the African dream. It is no fantasy that visionaries, philosophers and strategists proceed all great moments in history. Likewise the dawn of the 21st century that is coupled with the political, a scientific and economic change in our world presents an epoch whose possibility for a radical transformation can be multiplied several times over.

In its quest to produce a strong propertied African class, the African nation state encourages unrestrained participation of small and medium-sized firms in business. As a result there is an emerging unionised large middle class workers that is comprised of men and women in the form of teachers, intellectuals, nurses, traders, artisans, civil servants etc. However, because within the African context the patterns of economic production and ownership are still largely rural and subsistent. It is thus realistic to state that absolute economic growth and economic development will only be realised through the incorporation of the rural masses (majority of who are women) in the economy of the information technology. Therefore, in this instance it would be ideal to bear in mind that although there is a correlation between economic growth and development, however, to emphasise the diversity of the African community it is important that we separate economic growth from development.

Consequently, it is important that the emerging middle class is encouraged to move closer to the acquisition of economic ownership and production. This they can do as individuals, small business or through trade unions. These people should assume an entrepreneurial role as well as become a crucial component of economic democratisation and sustainable economic growth. Moreover, this middle class should be seen as the driving force of civil society. In as much as, a strong integrated civil society is indispensable in the development of a strong mixed economy and administration that is geared at serving the people.

As stated previously, a 'renaissance' is an historical moment whose many elements will develop independently, irrespective of our subjective intentions. A renaissance cannot be simply ordered or come out like a spell, but it is indisputable that certain minimum factors can bring about a renaissance. However, without incorporating these minimum factors into an integrated programme of action, the dream of an African renaissance will forever be deferred or remain a romantic and theoretical idea.

Therefore, to design a programme of action it is imperative that we identify the key areas of action which African people should engage in both as individuals and as a collective. For example amongst other objectives the programme of action should embody these attributes:

Firstly, galvanise and sensitise the continent about its importance by sending a strong message to the world about the renaissance. Secondly, engineer and engage in important progressive political debates within the countries that make up this continent. And lastly, provide effective national, continental and global leadership. The continent can achieve these

goals through the enhancement and development of visionaries, theoreticians, strategists, philosophers, politicians, poets, prose writers, painters' etc.;

The restructuring and repositioning of many regional, continental and international institutions in line with the objective of empowering developing countries by changing the global institutions like the UN, IMF and the World Bank. This change should also include organisations within the developing countries such as the Non-Aligned Movement (NAM), The Organisation of African Unity, The Pan African Women's Movement (PAWO), the Pan African Youth Organisation, other non-governmental organisations, as well as economic groupings etc. These organisations would have to define their roles within the changing scenario, in preparation for achieving socio-economic empowerment;

- The transformation of the education curriculum in the continent;
- Design programmes to build and strengthen institutions for economic development and co-operation, to ensure proper co-ordination and that programmes are not duplicated as this leads to a waste of resources;
- The improvement and proper utilisation of the land and mineral resources, as these assets are our investment to the renewal of Africa;
- Develop programmes to ensure that there is enough food as well as promote self-sufficiency;
- Promote programmes to combat life-threatening diseases such as AIDS and HIV, malaria, cholera etc;
- The elevation of positive aspects of our culture and tradition, in our contribution to the regeneration of our moral values and system as a means to both regain our dignity and humanity as men and women of the African continent;
- Organise seminars, conferences, exhibitions, sport events, cultural shows, as well as global programmes amongst other events. It was in this context that South Africa made a bid for the 2004 Olympics. Presently, we are putting in a bid for the 2006 Soccer World Cup;
- Develop programmes for the youth that are the future of this continent;
- Build stable societies and nation states;
- The need to promote unqualified emancipation of the African race, and this emancipation should be linked to that of women;

Why Should African Women be in the Forefront of Social Transformation?

The economic history of Africa under colonialism, racial domination and patriarchy, is a history of land alienation, and this had a fundamental impact on the African family life and gender relations. African men were forced off their land in order to provide cheap labourers for European farmers, work on the mines and this was the beginning of the migratory labour system. Consequently in the absence of men, women became heads of their families, albeit with limited powers. Simply this framework caused grave ramifications on social and gender relations amongst the African people. For example, it became common practice for men who had migrated to other parts of Southern Africa and within South Africa to acquire a "wife", and this meant that a man had 'two wives', one in the rural area and one in the urban setting. Post-apartheid South Africa is only beginning to redress this process, and we have to acknowledge that it is going to take us a long time to implement social and developmental transformation that will help reverse this problem.

Therefore, discussion on the African renaissance and women has to locate women within this context of quasi heads of families, as well as comforters for displaced men. In several African countries women make the majority or half of the entire population. In addition they produce 60 to 80% of all the food, head 30% or more households a monumental task. The millions can only value women's entrepreneurial contribution. However, when it come to large-scale operations at national, regional and international levels in business and the economy in general we are marginalised or we are largely under-represented. Obviously, this explains why women should be in the centre as well as the vanguards of the African renewal.

It is on this basis that we say that the notion of the African renaissance is linked to the African women's struggle for emancipation. As such, the democratisation and renewal process will be incomplete if half of its population remains in bondage. Moreover, to exclude half of the continents' population from the process of social transformation will not necessarily be a transformation, but an entrenchment and perpetuation of male values.

The Past Influences the Future

The ethos of the political and economic system of colonialism was incredibly patriarchal, and inevitably this legacy had an impact on Africa's social, political and economic system. As a result the African political and economic system was overwhelmingly macho, militaristic, directed and dependent on the West. However, Africa is making an attempt to change the legacy of male domination, which encourages violence as a means to solve conflicts. For example, since 1990 more than 25 Sub-Saharan countries have had democratic elections.

During the struggle against colonialism there was a belief that the emancipation of women could only be realised after national liberation, as a result the struggle for the women's emancipation was subsumed under the struggle for national liberation. However, the reality was that the attainment of national liberation demanded new priorities like the social, political and economic restructuring as well as protection of the new nation state. As a result women's issues were relegated to the bottom of the agenda of the new state, in some cases they were regarded as divisive and a deviation from African culture and tradition.

Both the realisations that it was impossible for newly liberated states to incorporate or deal with issues that affected women into national priorities. Also participation in the activities of the United States Decade for Women in 1985 conscientised South African women about the need to wage a simultaneous struggle. That is the struggle for national and women's emancipation. South African women were fortunate, inasmuch as the African National Congress was responsive to their suggestion, because the organisation resolved to make women's emancipation and social transformation a priority. The ability to wage a simultaneous struggle did not only benefit women, it made our men that they need to change their attitudes towards women. Hence from 1994 the government committed itself to the conscious transformation of institutions along non-racial and non-sexist lines.

By way of illustration, in his first speech at the opening of a democratically elected Parliament in May 1994 Comrade President Nelson Mandela said:

"It is vitally important that all structures of government, including the President himself, should understand this fully. That freedom cannot be achieved unless women have been emancipated from all forms of oppression. All of us must take this on board, that the objectives of the Reconstruction and Development Programme (RDP) will not have been



realised unless we see in the visible and practical terms that the condition of women of our country has radically changed for the better, and that they have been empowered to intervene in all aspects of life as equals with any member of society".

Likewise, the late President of the African National Congress, comrade Oliver Tambo spoke of the need for women to be in the forefront of their own liberation. He was known to warn women thus: "*There is no way an oppressor can liberate the oppressed*". Thus women should be involved right from the conceptualisation of the ethos of renewal. Women should develop a sense of ownership to the process as well as the outcome of the process, because as the majority of the African population, albeit the fact that some of us are poor and illiterate. We do however, have the ability to counsel on the process of the renewal as well as advance its objectives.

Thus gender mainstreaming and the empowerment of women should be a key component of the African renaissance. This means that all programmes that are associated with the African renaissance should have a gender component in them. It also means ensuring that all programmes proposed by the government undergo a gender audit. Finally, this also means that the plans and initiatives of government and regions reflect a measurable gender focus.

Conclusion

At the eleventh Non-Aligned Summit of Heads of States or government expressed their deep concern about the persistent critical economic situation of Africa. In addition the Delhi Ministerial Conference suggested that the international community should increase its support to African countries to enable them to achieve sustainable economic growth. As the renewal of the continent is of benefit to all regions it is therefore, envisaged that the Non-Aligned Movement's meeting of the 29 August to the 03 September 1998 in Durban will discuss both the African renaissance and the role women are expected to play within this concept.

During the past decade the United Nations General Assembly negotiated and passed many multilateral programmes in relation to the emancipation of the African continent. Thus if we nasally are determined to reconstruct our continent we have to draw programmes that are authentic and practical. Furthermore, to obtain support from the people of the world in our quest to realise the African renaissance, the 21st century has been named "the African century". Accordingly, South Africa as chair of the Movement should take the lead in ensuring that development and social transformation of the developing countries are made priority number one on the global agenda.

In view of the United Nation's Assembly's support of Africa's emancipation, as well as renewal. It is important that all sectors of this organization such as the IMF, the World Bank, the WTO, NAFTA, the EU, ASEAN, MECOSUR and others the programmes are included in mobilisation of the world community.

The world expects liberated South Africa to make a significant contribution to the common struggle for peace, development and equality. To achieve these South Africa will have to ensure that the Non-Aligned Movement becomes the vehicle through which these objectives can be realised. In addition South Africa will have to give concrete meaning to all round relations at the bilateral level, sub-regional, regional and international. This would require the



whole continent to work as a collective with a shared goal, because failure to do so would render the process null and void.

Extract from ANC Strategy and Tactics (page 26-28)
as amended at Mafikeng, 1997
on the AFRICAN RENAISSANCE

Our starting point therefore is the obvious: that South Africa is an African country.

The integration of the Southern African region is therefore critical, so as to bring our joint strengths to bear in the wider world, and ensure that the region becomes one of the nodal growth points of the world. This applies to such issues as the utilisation of our vast resources, the building of a common market, and the promotion of the region as an important investment destination within the context both of its political stability and its economic policies. Critical to this is the deepening of democracy and human rights and the consolidation of peace in the region.

This approach is underpinned by our commitment to, and active promotion of, the African renaissance: the rebirth of a continent that has for far too long been the object of exploitation and plunder. It recognises in the first instance the difficulties wrought on the continent by years of colonialism and unjust international relations, including the debt crisis, underdevelopment, social dislocation, and in some instances untenable political relations underpinned by forms of government that imperialism encouraged for its own selfish interests. However, the essence of our approach is not to mourn this treacherous past; but to find solutions to a complex reality.

Therefore, for us, this African renaissance is both a strategic objective and a call to action.

It must be underpinned by the mobilisation of the people of Africa to take their destiny into their own hands: in the definition and consolidation of democratic systems of government in which the people play an active role, in attaining rapid economic growth that is based on meeting the basic needs of the people, in widening and deepening the scope of economic, political and social integration on the continent, and in joint efforts to prevent and resolve conflicts within and among African nations.

Africa's rebirth requires that leaders and governments recognise, and indeed act to bring to the fore, the centrality of individual citizens and communities - workers, peasants, professionals, the entrepreneurial class and others - in shaping the future of the continent. In particular, it also requires that the character, content and programmes of the renaissance are infused with a gender-sensitive perspective.

The creativity and enterprise of all these classes and strata must be promoted, and their intellectual and scientific capacity must be given free reign. Their ability to understand the wrongs of the colonial past, but indeed, to also acknowledge and correct weaknesses in the present and in themselves, should be nurtured.

Africa's renaissance should consolidate her collective sovereignty, both in the fight to change the current maldistribution of international resources and power, and in the efforts of Africans themselves to improve the continent's standing in world affairs. Critical in the



campaign to realise this renaissance is the Organisation of African Unity and other continental and regional associations, which must be continually strengthened to meet the challenges of the new age. Our efforts on the continent form part of the drive of countries of the South to improve relations among themselves in the process of shaping a new world order.

GLOSSARY OF TERMS

(USED IN PAPER ON GLOBALISATION)
AND DISCUSSION PAPER ON THE STATE AND TRANSFORMATION)

commodities: products or goods which are produced to meet certain needs and which are for use or for exchange in markets (eg. fruit, cars, etc).

contractionary policies: These are policies which may contribute to a decline in economic activity, for example too high interest rates may be seen as contractionary, because business or entrepreneurs are hesitant to borrow money (because interest on credit is so high) for expanding their businesses (buying new machines, etc) or to start new businesses. Also see Expansionary Policies.

currency: Literally it means money (coins and banknotes) we use every day to buy things, but in a general sense it refer to all the money stock of a country. Our currency is the Rand, the US the Dollar and in Zambia it is the Kwacha, etc.

currency markets: Markets are generally any context where the selling and buying of goods and services take place. Currency markets are where the selling and buying of currencies, the money of any country, takes place.

deregulation: The removal of control of government laws and by-laws which regulate certain (economic) activities.

expansionary policies: Policies aimed at increasing economic activities, for example higher government spending on infrastructure development.

exports: Goods or services which are produced in one country and sold to and consumed in another country. Also see imports.

export-led growth: The growth of an economy, which is based on an increase in exports from that economy. The Asian tigers are example of such economies, they deliberately developed a manufacturing and industrial base in their countries for the production of goods (cars, computers, etc) which were then sold mainly in other countries.

free trade agreement (FTA): An agreement between two countries or amongst groups of countries aimed at a policy of non-intervention by the state in trade between their nations. Tariffs and non-tariff barrier! to trade are usually removed or lowered, whilst each country maintains its own commercial policy towards countries who are not part of the FTA. Examples are the North Atlantic Free Trade Agreement (NFTA) amongst the United States, Mexico and Canada.

Gross Domestic Product (GDP): This is the total money value of all the goods and services produced and sold by a country's economy in one year. It does not



include goods and services that are produced and not sold, and thus it problematically exclude housework and subsistence farming.

imports: Goods or services consumed (used/bought) in one country which has been bought from another country for example machinery, clothes, etc. Also see exports.

import substitution: This is a route for an economy towards industrialisation (establishing a local industrial/manufacturing base) by putting tariffs and/or quotas on the import of mainly manufacturing goods, thus making local produce less expensive than imported goods. The intention of this policy is usually to protect local industry (and jobs) from competition. The aim the longer term is to replace imports and to ensure internal economic growth. Also see export-led growth.

International Monetary Fund (IMF): The IMP was formed in 1945, following the ratification of the Articles of Agreement of the Fund at Brettonwoods in 1944. It became a specialized United Nations agency in 1947. Its is suppose to encourage international monetary cooperation, facilitated the expansion and balanced growth of international trade, assist member countries in correcting balance of payments deficits and promote foreign exchange stability.

Maastricth Agreement: This is a comprehensive agreement to take toward the integration of European economies and includes aspects such as process, conditions and timeframe towards a common currency (to be known as the Euro), trade relations, etc for all member countries.

newly industrialized countries (NIC's): Countries which over the last fifty years have leap-frogged from developing countries towards industrial country status mainly through export-led growth strategies. Most of these countries are in East and South Asia.

non-tariff barriers: These are other constraints on imports or international trade besides tariffs which gives advantage to local producers over foreign producers. Examples of non-tariff barriers include quotas - putting a limit on the amount of a specific good which can be imported and safety and technical standards - for example that certain products may not be imported because they are unhealthy, etc. Also see TARIFFS and Subsidies.

Organisation for Economic Co-operation and Development (OECD): An intergovernmental organization of mainly Western countries, whose stated aims are to (a) formulate, coordinate and promote policies designed to encourage economic growth and maintain fiscal stability in member countries; (b) to stimulate and harmonize its members' efforts regarding the provision of financial and technical aid for developing countries and (c) to contribute to the expansion of multilateral trade conducted on a non-discriminatory basis. It carries out its

activities through specialized committees and agencies, such as the International Energy Agency, the OECD Nuclear Energy Agency and Development Centre.

protectionist policies: Policies aimed at protecting your markets for locally produced goods from products from other countries. Examples of such policies include tariffs, regulation, subsidies, etc.

Structural Adjustment Programs (SAP's): A set of policies by the World Bank or IMP imposed on mainly developing countries as a condition for receiving assistance from these bodies. The policies are aimed at assisting countries to manage their balance of payments and in support of adjustment and policy reform to promote future growth. It is aimed at re-organising the resource base of these economies, especially developing industrial and manufacturing export capacity. It differs from country to country, but typically include policies or programs such as currency devaluation, lifting restrictions on trade, cuts in social spending, privatization of government enterprises, wage suppression, business deregulation and higher interest rates.

subsidy: A payment made by government to producers to contribute towards the cost of production. The objectives of such subsidies are usually either (a) to keep the prices of goods low and/or stable, say of basic foodstuff; or (b) as a transfer from taxpayers to producers of a particular good, for example, in order to raise the incomes of farmers; or (c) to improve for the international competitiveness of your local goods.

tariffs: Tax imposed on a good imported into a country. This is done to protect local producers of a product, because it makes the imports more expensive than the local product. *Tariff reduction* is therefore the process of reducing this tax on imported goods and thus introduce more competition between imports and local products. Tariff structure is the overall pattern of tariffs which are not the same on all goods, eg the tariff on imported sugar may not be the same as on imported televisions.

trade: The exchange of goods (buying and selling) between individuals or groups in a specific country either through barter (exchanges in kind) or through money is known as **internal trade**. The exchange of goods between countries, generally referred to as imports and exports, is known as **foreign trade**. The difference between internal and foreign trade is that the latter involves the use of different currencies and is subject to additional regulations such as tariffs and/or quotas.

transnational/multinational: A large enterprise having a home base in one country and operating wholly or subsidiaries in other countries. For example British Petroleum (BP) or Nike have their homebases in the United Kingdom and United States respectively, but a large part of their operations are in other



countries. A *transnational economy* is a common world economy where products and services tend to be truly global and all countries' economies are linked.

United Nations Conference on Trade and Development (UNCTAD): This conference, first convened in 1964, is now a permanent organ of the General Assembly of the United Nations. All members countries of the UN are members of the conference and it has a permanent executive organ and secretariat. In 1990 it had 166 members. The role of UNCTAD is to protect and champion the case of the less developed countries against the trade policies of developed countries; and it has argued (not very successfully) for easier access to the markets of developed countries at UNCTAD IV in Nairobi, 1976. One of its successes has been the Generalized System of Preferences (GSP, started in 1971) by means of which some EXPORTS from developing countries were given preferential access to the markets of industrial countries.

World Bank: Its full name is **the *International Bank for Reconstruction and Development***, established in 1945, as an international development bank, along with the IMP. It too became a specialised agency of the United Nations in 1947. Initially the World Bank was established to raise and allocate capital resources for the postwar reconstruction in r. However, since 1948 the main objective of the bank has been to assist the development of member countries by providing loans to governments where private capital is not available on reasonable terms to help finance investment projects. Loans generally have a grace period of five years and are repayable over fifteen years or less. Loans are given to or guaranteed by governments. The World Bank became known in the 1980's for its STRUCTURAL ADJUSTMENT PROGRAMS in developing countries, supposedly aimed at assisting countries to manage their BALANCE OF PAYMENTS and in support of adjustment and policy reform to promote future growth. The reality has been much different. The World Bank also provides technical assistance to member countries and also does research and country analysis and reports.

World Trade Organisation (WTO): A multilateral organisation responsible for regulating international trade. It is an outflow from the Uruguay Round of negotiations under the General Agreement on Tariff and Trade (GATT). GATT is a multi-lateral trade agreement which came into effect in 1948 and sets out rules for international trade relations and provides a forum for multi-lateral negotiations regarding the solution of trade problems and the gradual elimination of tariffs and other non-tariff barriers. It had a number of major trade negotiations amongst others the *Kennedy Round* (between 1964-67) during which tariff reductions were negotiated on a whole group of goods, the *Tokyo Round* (1973-1979) which addressed both tariffs and non-tariff barriers., the *Uruguay Round* (1986-1990) which dealt with unfinished business of previous GATT rounds and new issues such as trade in services, the protection of intellectual property and trade related investment measures. The Uruguay Round (its agreements are known as the Marrakesh Agreement) resolved to form an agency which will implement and monitor the implementation of the various GATT agreements and hence the WTO was formed. South Africa signed GATT in 1993 and also became a member of the WTO.

Washington Consensus: It is the set of policies that Western governments believe that all countries should adopt to raise economic growth. These include trade liberalisation, privatisation, etc.

