

SPECIAL NATIONAL CONGRESS EDITION

10-13 DECEMBER 2009, TURFLOOP



December 2009

Voice of the South African Communist Party

Unsebenzi

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SPECIAL NATIONAL CONGRESS

SACP in Turfloop for our second SNG

*Reviewing progress since the SACP's 12th national congress
and charting the way forward – to local elections and beyond*

By Solly Mapaila

More than 1 000 delegates representing 96 049 South African Communist Party members will converge on the University of Limpopo in Polokwane for our Party's 2nd Special National Congress (SNC) from 9 to 13 December.

SNCs are held mid-term between the SACP's five-yearly National Congresses to review progress in implementing Party programmes, give report-backs, receive fresh mandates and chart the way forward. This SNC will consider progress in implementing the Party's Medium Term Vision (MTV) as elaborated in the South African Road to Socialism adopted at the 12th SACP Congress in Nelson Mandela Bay in July 2007.

The Party will review events since the ANC's December 2007 Polokwane National Conference and discuss the current political terrain. A key focus of the Congress will be the domestic and global economic crisis and the need for us to develop an effective and sustainable response, including a new economic growth path. Discussion on this will revolve around the main paper of the SNC, Building Working Class Hegemony on the Terrain of a National Democratic Struggle.

Also of crucial importance to the SNC will be the local government challenges, including preparing for the 2011 elections, and the challenges of rural development. The health system, including the HIV-Aids campaign and the National Health Campaign, will also be discussed by delegates. There will be commissions on

economic transformation; social transformation; party building; gender and social equity; finance; international relations; and constitutional amendments.

Among the constitutional amendments are proposals to provide for the SACP General Secretary and Provincial Secretaries to serve in legislatures and executives. These proposals are linked to a Central Committee position paper on the subject. The issue of establishing District Working Committees has also been raised again, and will have to be considered. The SNC will also be addressed by ANC President, Cde Jacob Zuma, and Cosatu General Secretary, Cde Zwelinzima Vavi.

Cde Mapaila is an SACP Politburo member



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Special National Congress**



SPECIAL NATIONAL CONGRESS

Preparing for the SNC as our membership nears 100 000

SACP Central Committee statement issued after its November meeting in preparation for the Polokwane SNC

The SACP Central Committee met on 27 and 28 November in Johannesburg in the final regular CC meeting for 2009. The main focus of the CC concerned preparations for our Special National Congress held in Polokwane from the 10 to 13 December. Draft political and organisational reports to the Special National Congress were tabled and discussed.

SACP membership has been growing significantly over the course of this year, and now stands at 96 049. We attribute this growth to the SACP's active campaigning in communities around the issues that affect the great majority of our people. The profile of our membership is relatively young, nearly 40% of our members are now women, and a majority of our members are drawn from the ranks of the millions of unemployed and marginalised.

With our track-record of consistent activism and with our membership profile, the SACP is well aware of our leadership responsibilities. After more than 15 years of democracy, SA's Gini co-efficient indicates extremely high-levels of persisting income inequality – and this inequality is racialised. Unemployment and particularly youth unemployment remains stubbornly at crisis levels. Notwithstanding the modest and uncertain upturn in growth for the third quarter, levels of poverty and distress in our townships and rural communities are severe and are often deteriorating.

In a situation like this, there are very real dangers of attempts at chauvinistic

rabble-rousing of sectors in distress, not least among an often alienated youth sector. These dangers are enhanced by ambitious business-people and politicians flirting with these realities, using corruption and patronage politics to advance their own narrow personal ambitions.

The SACP pledges to work closely with all our Alliance partners, including the ANC's Women's and Youth Leagues, to uphold the great traditions of our movement. We also respect the ANC's multi-class character and we know that the great majority of professionals, small entrepreneurs and business-people abhor reckless demagoguery and rightwing bombast masking itself as militancy. We pledge to work constructively and unsparingly to nip in the bud any signs of narrow chauvinism, corruption, patronage politics and personalised factionalism. The SACP will remain focused on the core challenge of our times – the struggle to transform our current semi-colonial economic growth path and persisting spatial patterns of settlement and infrastructure that are reproducing the crises of underdevelopment.

The SACP pledges to work closely with our allies to uphold the traditions of our movement

We challenge the banks to say whether Basa had a mandate or not

This past week, Cas Coovadia, MD of the Banking Association of SA (Basa), held a press conference to announce that Basa would no longer engage with the Community and Labour members of the Financial Charter Council. He said that in future the banks would only engage with Government and the Association of Black Securities and Investment Professionals (Absip) "because this body is among the organisations which have black interests".

Who is Basa trying to convince by claiming that Absip represents "black interests" but organised Labour and Community groups do not?

There are two matters that need highlighting in this regard:

Behind the scenes, leading banks officials are saying that Basa did not have a mandate to make this unilateral and clumsy announcement. If these claims are to be believed, then the banks must now say that Basa did not have their mandate, and they must discipline Basa;

Basa (like most media reporting on this matter so far) continues to claim that the blockage in the Financial Charter Council is a disagreement on whether direct black ownership of financial institutions should be pegged at 10% (as currently is the case with the Financial Charter), or at 15% (which is the case with the general BEE charters). In fact, both government and the community and labour delegations have long since indicated a preparedness to consider an equity equivalent to re-

solve the ownership dispute. This is currently what has been under negotiation at the Financial Charter Council.

An equity equivalent involves performance in other areas (for example, financing cooperatives or low-income housing) with an equal Rand value for what would otherwise have been required to meet the 15% black ownership target. Basa's present embarrassment is that when we were still insisting on compliance with the 15% target, they were telling us that this extra 5% black ownership stake would be impossibly costly and risky. They mentioned a figure of R32 billion. However, once they were locked into a discussion on an equity equivalent, suddenly they were somersaulting backwards and coming up with laughably low estimates! In the negotiations process a tentative figure of R16,8 billion has now been arrived at.

Having snookered themselves in this way, Basa is trying to wriggle out of the process, and it is this that explains Basa MD Coovadia's arrogant (and futile) unilateral attempt to choose whom to discuss with. The labour and community formations will not be provoked into walking out of the Council, and we have every reason to believe that government is equally committed to ensuring that the process continues, and Basa is not allowed to try and resist transformation by excluding labour and communities.

Against the background of these developments, the CC resolved:

To intensify our financial sector campaign, and to reinvigorate our campaign alliance of more than 50 community and other non-governmental formations;

To call on all South Africans to join a massive popular campaign for the transformation of the financial sector – partly in response to the high-handed arrogance of the banks, but also in response to the deepening financial crisis in which millions of ordinary South Africans find themselves in the midst of the current economic crisis. Statistics last week showed that the number of adult South Africans who are banked has now dropped from 63% to 60%. At the same time, the number of Credit Bureaux black-listings, small business liquidations, and foreclosures on homes has soared. The financial sector cannot remain untransformed.

To call on Government to include the transformation of the publicly-owned Development Finance Institutions (DFIs) within the remit of the Financial Charter Council discussions.

Let us all take responsibility for the struggle against HIV and Aids

Minister of Health, Cde Aaron Motsoaledi presented to the CC a report on the HIV and Aids pandemic and a proposed nation-wide campaign.

The CC applauded Cde Motsoaledi's forthright and activist stance on the pandemic. The CC strongly supported his approach to the campaign against HIV-Aids with its emphasis on a joint effort between government and all South Africans, and on a primary health-care approach to testing and treatment. The campaign focus on all of us taking collective and individual responsibility is especially important.

The SACP also supports the proposal to make HIV-Aids notifiable. In the case of any other pandemic it would be a matter of course to make the underlying disease notifiable. Let us banish this relic of an earlier denialism linked to stigmatisation.

The CC pledged the SACP's full commitment to taking forward the campaign. In this regard the SACP will intensify its campaign for an affordable, quality and primary health care driven health system.

The challenges of local government

The CC also discussed an input by the Minister for Cooperative Governance and Traditional Affairs, Cde Sicelo Shiceka on the local government turnaround strategy. Among the points of strong agreement with the strategy, the CC highlighted the following key elements:

The focus on popular participation in local governance – to transform local government, and to empower communities at the ward level to make key decisions on infrastructure development and budgetary allocations;

The negative impact of political party interference in appointments of municipal staff, with all of the attendant problems of poor capacity, factionalism and the dangers of corruption;

The need for training and upgrading of councillors and council management;

The need to radically review the financing of municipalities.

While saluting the role played by the majority of councillors, often under very difficult circumstances, the CC stressed the central importance of fighting a fearless struggle against corruption in local government, and, indeed, in all spheres of our society. The struggle against corruption, we underlined, is not only a

moral struggle, it is a struggle to prevent the erosion of all of our democratic gains. Our communities are thoroughly sick of the reckless ripping off of public resources. The CC also stressed the importance of working closely with public sector unions in the municipal sphere. Union members have often bravely blown the whistle on corruption – sometimes without being listened to. This must change.

We also call on union members and communities not to take out their frustrations through self-destructive damage to public property. Government's local government turnaround strategy provides us all with the possibility to collectively take up a range of struggles that have a genuinely transformative impact on the lives of our communities.

The situation in Western Sahara

The CC was also apprised of developments in Western Sahara, including the hunger strike embarked upon by cde Aminatou Haidar – the award-winning Western Sahara independence activist who has been on a hunger strike for nearly two weeks since Morocco expelled her from the disputed territory. She is reported to be in a grave situation and so weak that she cannot speak.

The SACP calls for a speedy and comprehensive resolution of the impasse and for the international community to bring pressure on the Kingdom of Morocco, to remove all obstacles towards a settlement, which should result in the full recognition of the territory of Western Sahara as a sovereign state.

The 12th International Communist and Workers Parties meeting in South Africa in 2010

The 11th International Communist and Workers Parties (ICWP) meeting recently held in New Delhi, India unanimously agreed to convene the 12th meeting of the ICWP in South Africa, as part of fulfilling an important political process for the international communist movement. The SACP will ensure a successful meeting at a time when globally capitalism is more and more discredited.

16 Days of activism against violence against women and children

The CC urged all of our structures to participate actively in the 16 days of activism against violence against women and children. This campaign is an integral part of re-building solidarity and collective responsibility in our communities.

FSCC

Taking the offensive to the financial bourgeoisie

It is time to revive our militant campaign to mobilise to make banks serve the people, writes Blade Nzimande

Our Central Committee (CC) meeting expressed itself comprehensively on the offensive statement by the Banking Council of South Africa (Basa) to try and concoct an elitist escape from some of its commitments to the Financial Sector Charter Council. Basa announced last week that it would no longer engage with the Community and Labour members of the Financial Sector Charter Council. Instead it opportunistically and foolishly stated that it would now only engage with government, and work together with the Association of Black Securities and Investment Professionals (Absip) as the only true representatives of what it refers to as 'black interests'. Basa Managing Director, Cas Coovadia, held a media conference to say this. What a cheek!

Who are the banks trying to convince by claiming Absip represents "black interests" but organised Labour and Community groups do not? As has become increasingly clear during the financial sector campaign over the years, the banks are not willing partners in transformation, they are obstacles to it. In fact, banks are trying to use their powerful position in capitalist South Africa to further entrench their positions at the direct expense of the workers and the poor of our country. Last week's Basa statement is an expression of the most arrogant, if not outrageous, of attitudes towards the overwhelming majority of the people of this country.

In a joint statement issued by Cosatu and the Financial Sector Campaign Coalition (FSCC) (representing a total of about 50 community and related organisations) we called on both Government and Absip

to publicly dissociate themselves from these attempts by Basa to undermine the Financial Sector Charter and, instead, urged them to resist attempts by the banks to subvert government and black professionals to their elitist cause.

The background to the latest move by Basa is the Charter dispute, which has been going on for the past 20 months, over alignment with the BEE Codes of Good Practice. In 2008, Charter participants deadlocked over the refusal by the banks to align with the generic Codes as the basic minimum universal standards for transformation across all sectors of the economy. Media attention has focussed only on non-alignment with the direct (narrow) black ownership of financial institutions, which the Charter pegs at 10% and the Codes put at 15%, but there are several other areas in which the banks have not yet agreed to align. Negotiations were in limbo for much of this period as Charter participants waited for direction from government.

Following the election earlier this year, the new Ministers of Trade and Industry and of Finance convened a meeting of all Charter participants. Constituencies

agreed to consider and quantify an equity equivalent to resolve the ownership dispute. Equity equivalent involves performance in other areas with an equal Rand value to non-performance in the area of equity ownership.

Charter parties agreed to report back to the ministers with proposals. Negotiations have taken far longer than anticipated, but have now resulted in a calculation of the 5% equity equivalent at R16,8 billion. Initially, agreement was reached on splitting this amount between financing for co-operatives, financial access by the workers and poor, financial assistance to resource-poor black farmers and low-income housing. However, banks subsequently tabled two "non-negotiable" demands:

BEE Transaction Financing must be included in the equity equivalent split - by 2008 banks have already financed over R100bn in BEE deal financing, more than double the target, while refusing to finance low-cost housing and other related infrastructural programmes

The Charter's "once empowered, always empowered" clause must be retained.

The Charter Council must reach consensus on proposals to the Minister for deviations from the Codes. So far, the banks have been unable to come up with a convincing motivation for retaining "once empowered" that other Charter participants can support.

The "once empowered" provision enables banks to do only a single once-off BEE deal to score full black ownership Charter points in perpetuity. Even if black owners exit from a BEE deal and sell their shares back to whites or to the bank it-

Absip and the government must dissociate themselves from the Banking Association

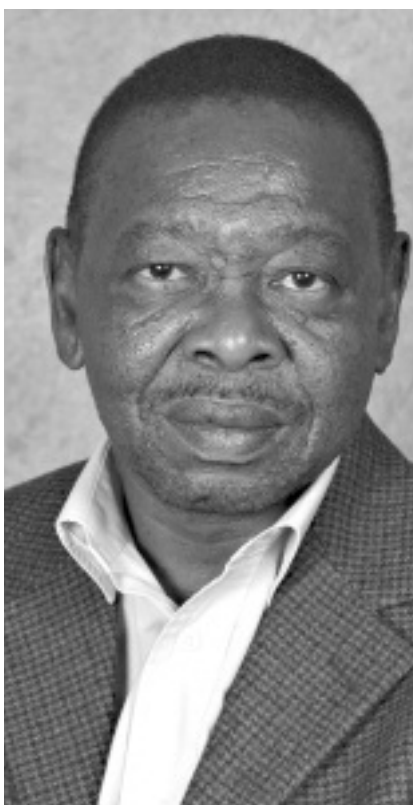
self, the BEE score can remain the same, as if they still retained the same shares for black owners, subject to Charter Council approval. This would mean a 100% white-owned bank could claim forever to be black-owned. But banks refuse to give up “once empowered” for the Codes’ provision that black ownership points can be retained for a period, subject to certain conditions.

In the case of Standard Bank, it continues to claim 10% black ownership for its BEE deal with Saki Macozoma’s Safika and Cyril Ramaphosa’s Shanduka, even though this shareholding has reduced to less than 7%. Absa claims its full 10% black ownership score despite its BEE deal with Tokyo Sexwale’s Batho Bonke consortium unwinding. Only 3 % of the Batho Bonke shareholding was unencumbered but Absa continues to claim 10% black ownership recognition. Ironically, if banks pull out of the Charter, in future they will have to comply with the Codes, so they will forfeit “once empowered, always empowered” anyway. So what is really behind the banks refusal to engage with Community and Labour and, in effect, pulling out of the Charter?

Banks have made it clear throughout the life of the Charter that they do not want to be in any structure that they do not have exclusive control over so that they manage this for their own profit-maximising interests. Banks refuse to be held to account in any forum which can measure genuine transformation in an objective and independent manner. They have been unwilling partners in the Charter process. Their intransigence has ranged from refusing to finalise performance standards to refusing to align with the BBBEE Codes. Banks believed controlling the Charter would enable them to hold on to their wealth, and their economic and financial muscle would shield them from transformation.

The banks have indicated that they will pull out of the Charter if they do not get their way on their two non-negotiables. At the same time, they say if government instructed them to align, they would comply, because then they could explain to investors they had been forced to do so, and did not comply voluntarily.

Recently, the banks have also embarked on an extensive, self-regulated so-called transformation process parallel to the Charter, co-ordinated by the Banking Association. This process includes co-ordinating banks’ compliance with the Codes as well as overseeing sector-specific pro-



SACP General Secretary Cde Blade Nzimande

The banks thought they could control the Charter Council: they were wrong

grammes such as consumer education and access.

Basa did not state this week that banks were withdrawing from the Charter Council, which is due to meet on 10 December 2009. Instead, Basa appears to be attempting to unilaterally restructure the Charter Council and to exclude Community and Labour. They have tried and failed to get government to restructure the Council by excluding Community and Labour.

The Charter Council constitution does not give Basa the authority to exclude any other Charter participant or member, although it does allow Basa to resign. In terms of Clause 20.2 of the Charter:

“A member may resign from the Charter Council at any time by delivering written notice to that effect to the Charter Council at its office, and that member shall thereupon cease to be a member of the Charter Council.”

Basa is a “member” of the Charter Council in terms of 3.1.2 of the Charter Council Constitution. If the banks do not want to be part of a collective, representative, multi-stakeholder transformation Charter Council, they should resign. Community and Labour should not walk away from the Charter in response to bad behaviour from the banks. If anyone pulls out, it should be the banks.

There are a number of choices in dealing with the Equity Equivalent proposal, including BEE transaction and financing. As the workers and the poor of this country, represented by labour and the community organisations we can choose one of two options:

We could refuse the demands of the banks; or

Agree to include it, provided that any BEE transactions meet genuinely broad-based criteria

Banks should say whether they have been mandated and whether indeed they do support the Basa position.

It is clear to us, given what some of the CEOs of the banks have said, that Basa did not have the mandate to issue such a dismissive and reckless statement.

It is for all these reasons that the SACP, working together with the Financial Sector Campaign Coalition, will resuscitate its mass campaign to make banks serve the people!

Asikhulumel!

Cde Nzimande is SACP General Secretary. This article appeared in Umsebenzi Online on 3 December

THE ALLIANCE SUMMIT

Reviewing progress since the election victory – and looking forward

Joint statement issued following the Summit of 13-15 November at Esselen Park

The African National Congress, South African Communist Party, Congress of South African Trade Unions and the South African National Civic Organisation gathered at the Alliance Summit, in Esselen Park, Ekurhuleni.

The focus of the Summit was to review the implementation of the Programme of Action that emanated from our shared electoral platform in the 2009 Election Manifesto. The Alliance thanked millions of our people for the confidence they have shown in the ANC led Alliance and returning the ANC to government in the elections held in April 2009. Summit also reconfirmed the resolutions of the last Alliance Summit held in May 2008 and the Alliance Economic Summit held in October 2008.

The Summit took place in the midst of the global economic crisis, which has had a profound impact on the workers and the poor majority of our people: nearly a million jobs have been lost in the formal sector in the course of this year. There have been company closures, mass layoffs and deepening indebtedness for many South Africans.

Against this background, in the coming period we shall be working together as the Alliance on the following key pro-

grammatic areas:

Economy development: All Alliance partners reaffirmed the commitment to ensuring the vigorous implementation of the Nedlac Framework Agreement on South Africa's Response to the Global Economic Crisis. The Summit agreed that there is a need to link our short-term counter-cyclical response with our long term objectives of transforming the structure of the economy and moving to a different growth path. We support Government's infrastructure investment programme as a key component of South

Africa's response to the crisis.

The scale and scope of industrial policy needs to be increased, and funding needs to be increased commensurately. The Summit agreed that the Alliance Task Team on macro-economic policy must remain seized with reviewing and broadening the mandate of the Reserve Bank.

National Planning Commission: The Alliance agreed with the broad thrust of the Alliance discussion document on the Green Paper on National Strategic Planning. In particular we agreed that there is a need for the National Planning Commission (NPC) located in the Presidency, which will be chaired by the Minister in the Presidency for the NPC and whose main responsibility will be to ensure an integrated strategic planning across government.

Towards energy security and sustainability: The Summit recognised the importance of energy security in order to advance the developmental agenda of the country. The Summit also noted with concern that the successive tariff increase requests through the multi-year price determination by Eskom will negatively impact on society, the economy and jobs. The Summit therefore supported efforts to have the tariff increases minimised.

The partners reaffirmed their commitment to the Nedlac agreement

The Summit also agreed that we will ensure that government-led energy policies place greater emphasis on sustainable and renewable technologies and the creation of green jobs. We also agreed that our energy mix must contribute to our international obligations to promote a cleaner environment and mitigate the effects of climate change. The Alliance will conduct a campaign for energy efficiencies and to promote the use of alternative energy sources in society.

Rural development: The Summit agreed to work towards a comprehensive approach to rural development which will focus on the following: food security, transformation of the apartheid spatial reality, expansion of provision of social and economic infrastructure, the plight of farm dwellers and farm workers and systematic promotion of co-operatives.

Education: The Summit reaffirmed education as a key priority of our movement. A mass campaign for basic education, public sector workers will play a role in this campaign. The ANC-led Alliance will launch a quality education and teaching for all – to be launched before the Alliance Education Transformation Summit next year. The Campaign will mobilise our communities, the parents, the learners, the teachers and government education of officials. This will include the enforcement of “non-negotiables” agreed to at the previous Alliance Education Summit.

With regard to our approach to higher education and training, the Summit agreed to continue with a process to realign and build capacity for FET colleges and align the SETAs to produce skills to meet our developmental objectives. We support the call and will participate dynamically in government led summits on Higher Education and Skills development to be convened in 2010.

Health: The transformation of the national health system will require strategic leadership through the Alliance to mobilise society around a social compact for health care transformation. Central to the implementation of the 10-Point Plan for health care transformation is organisation and mobilisation of our people.

In the period ahead we will, working together with government and Sanac, mount a campaign for HIV and AIDS prevention and treatment, which includes campaign for HIV-Aids testing and counseling, involving mobilisation of our society.

We will also mount an ANC-led AI-

liance campaign on NHI – which will involve public education, and engagements with various sectors of society around the vision and the principles of NHI. This campaign will also emphasise improvement in the quality of health care in our health institutions.

Local government: The Summit supports the development of Local Government’s “Turnaround Strategy Framework”, led and driven by the ANC-led Alliance and implemented by Government at all levels, through the full involvement of communities. The intentions of the Turnaround Strategy are to deliver quality, affordable and reliable services to South Africans. An Alliance Summit on Local Government will be held early next year, to focus on service delivery.

ANC Centenary Preparations: The Summit noted the centenary celebrations of the ANC and we affirmed our support for the preparations towards 2012, which will not be just ANC-led Alliance celebrations but for our people as a whole.

2010 World Cup: Next year our country will host one of the biggest sporting events in the world, the FIFA Soccer World Cup. We call on all South Africans to rally behind Bafana Bafana, our National Team.

We wish all South Africans a happy and safe festive seasons and a prosperous new year. We call on those who will be on the road to exercise extreme caution to minimise road carnage.

The intentions of the Turnaround Strategy are to deliver quality, affordable and reliable services to South Africans



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THE ALLIANCE SUMMIT

And now for the real Alliance Summit

Delegates struggled to recognise the summit they had attended as the one reported in the media, writes Jeremy Cronin

The ANC tripartite alliance along with Sanco met in a crucial summit over the weekend of 13-15 November in Ekurhuleni. The impact of the global economic recession on our own country, the loss of nearly one million jobs this year, persistent, racialised inequality, and energy sustainability pre-occupied discussions.

The summit also assessed progress made in the implementation of our common ANC-led April election manifesto, and its key priorities, including rural development, and the transformation of the health and education sectors. The challenges of corruption and of local government were also matters of key concern.

Unfortunately, the reporting on the outcome of the summit in much of the media has often been extremely shallow. “Manuel KO’s Cosatu” read one front-page headline. An eminent political commentator disagreed. It was the “left” that had, apparently, “won”. A second commentator demurred. There was “no policy shift whatsoever”.

For the delegates present at the summit, it was hard to recognise the summit they attended from the reports they read. It must have been even more puzzling for comrades who were not at the summit.

Most media commentary has focused on macro-economic policy, and this is the matter around which there has been most confusion. The macro debate has been with us since at least the unveiling of the Gear macro policy back in mid-1996. One of the key problems with Gear was that (in line with the dominant global paradigm of the day) it over-focused on macro-economic mathematics to the detriment of the “real” or, rather, the productive and service sectors of the economy. This was not accidental. The prevailing global Anglo-Saxon economic

paradigm held that the “real” economy was best left to market forces, while governments (and central banks) were meant to confine themselves largely to creating investor-friendly macro conditions. Along with Lehmann Brothers and Dubai World, that paradigm, hopefully, has been blown away in the current global crisis it helped to cause.

But already, in the early 2000s, across the spectrum of the alliance, there was a growing awareness that we were neglecting the productive economy. As the reality of persisting crisis levels of unemployment hit home, the ANC at its National General Council in 2000, for instance, resolved that “macro-economic stability was necessary but not sufficient”. Unfortunately, at that stage, micro-economic policy tended to be dominated by grandiose and misguided arms procurement off-sets and costly vanity projects like the pebble bed modular reactor.

Since that time, and particularly in the last two years, considerable collective progress has been made across the alliance. The progress is well captured in the declaration of the November Alliance Summit, which, amongst other things, “reaffirmed the commitment to ensuring the vigorous implementation of the Nedlac Framework Agreement on SA’s Response to the Global Economic Crisis”. The declaration goes on to assert the need “to link our short-term counter-cyclical response with our long term objectives of transforming the structure of the economy and moving to a different growth path”. It proceeds to express support for government’s infrastructure investment programme as the “key component of SA’s response to the crisis”, and it calls for an increase in the scale, scope and funding of industrial policy.

It is only then, and quite deliberately,

that the declaration moves to a brief statement on macro-economic policy – “the Alliance Task Team on macro-economic policy must remain seized with reviewing and broadening the mandate of the Reserve Bank”.

In short, across the Alliance, there is an agreement that the question of macro-economic policy needs to be aligned with our key micro-economic objectives – in particular, transforming our systemically dysfunctional growth path by placing us on to a much more labour-intensive trajectory. Of course, sober concerns around medium- and longer-term macro-economic sustainability must always be dynamically factored in. It is not a question of one minister (say of Economic Development or of Trade and Industry) now displacing another minister (say of Finance or of Planning) as “the new economic supremo”. It is a question of fostering a collegial and coherent alignment and strategic discipline across all line departments and other state entities, including the parastatals.

When the Alliance task team on macro-economic policy pursues its work as mandated by the summit, it will be informed by several important points of summit consensus. In the first place, it needs to align its macro considerations with our infrastructure construction and industrial policy priorities. Second, there needs to be a sense of urgency – our economy is bleeding. Third, the task team members will know there is a broad consensus (extending far beyond the Alliance) that the rand is over-valued. But how, practically, should or can government actually intervene to correct this? (There might not be easy answers.) Fourth, the task team will need to assess the current inflation targeting policy mandate of the Reserve Bank. No-one at the summit argued that we can simply ignore the dangers of inflation. But is the current target band too restrictive? Or is inflation-targeting itself a problem? Shouldn’t the Reserve Bank take other critical indicators (like employment) as key mandates?

And, finally, as it proceeds with its urgent work, hopefully the task team and the media will appreciate that the challenges we all face cannot be pigeon-holed simplistically into imaginary “lefts” and “rights”, or characterised as boxing matches between personalities.

.....
Cde Cronin is SACP Deputy General Secretary

NATIONALISATION DEBATE

On nationalisation, socialisation and a state mining house

Below we reproduce exchanges between SACP Deputy General Secretary cde Jeremy Cronin, ANC Youth League President cde Julius Malema, and other commentators on the nationalisation of the mines. These articles appeared in Umsebenzi OnLine and various other publications

PERSPECTIVE 1: JEREMY CRONIN

"Should we nationalise the mines?"

In recent months, ANC Youth League president, cde Julius Malema has called for the nationalisation of the mines. The mainstream media have predictably latched on to cde Malema's nationalisation call with delight. They hope to ridicule the demand and goad senior ANC and government leaders into banishing any thought of nationalisation, once and for all, finish and klaar.

Cde Malema hasn't always helped his case with off-the-wall sound-bites. The impression of a policy being made on the hoof, individualistically, is reinforced by the fact that we are yet to see any serious attempt at a collective policy document on this matter from the ANCYL.

This is a great pity. The question of the ownership and control of our major natural resources and means of production is, indeed, a serious matter. The idea of public ownership should not be reduced to an empty slogan. Nor is it, as some other comrades appear to believe, an em-

barrassing secret from a bygone era, best left hidden away in our family cupboard.

The basis for Malema's argument rests on the inspiring clause in the Freedom Charter: "The People Shall Share In The Country's Wealth!" It asserts that: "The national wealth of our country, the heritage of all South Africans, shall be restored to the people; The mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole..."

Some comrades have tried to argue against Malema on the grounds that the Freedom Charter nowhere actually uses the word "nationalisation". This is literally true, but frankly it's not a very convincing argument. As Malema himself puts it: "They are talking English, not politics." Anyone who has the remotest

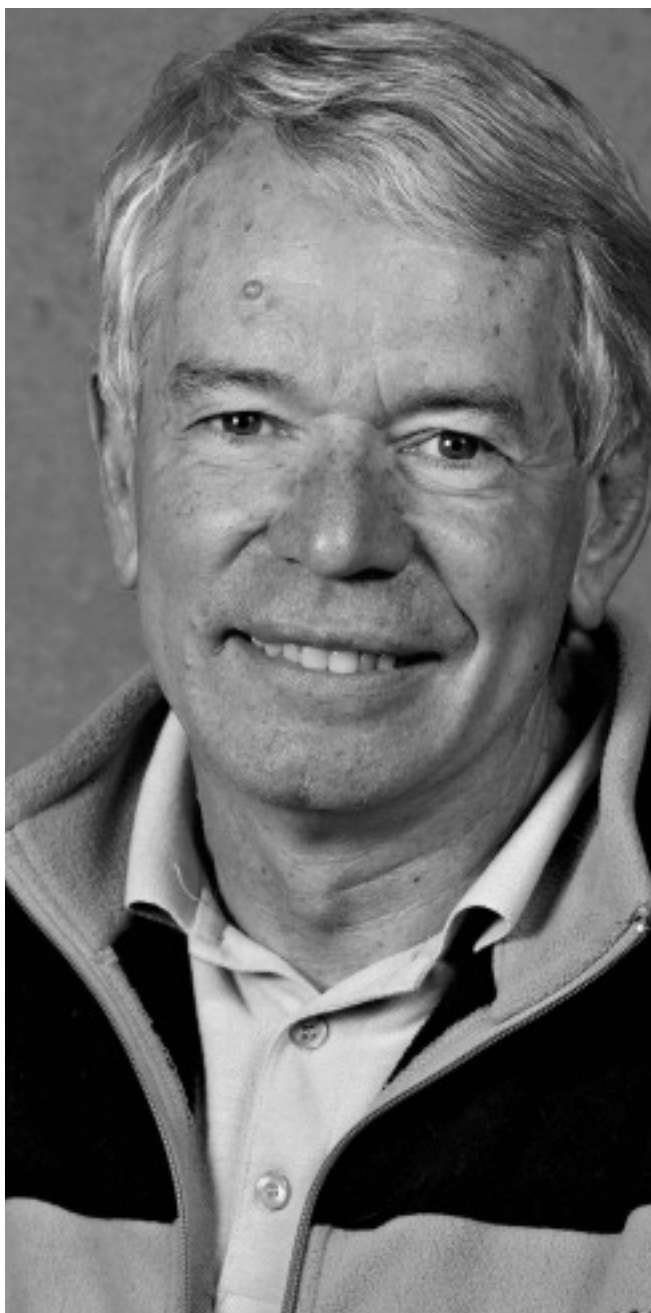
'The question of control of our mineral resources is a serious matter'

acquaintance with the mid-1950s, the period in which the Freedom Charter was formulated and adopted, would realise that it was the heyday of nationalisation – not just in post-war Eastern Europe and China, but also throughout most of Western Europe, Latin America, and newly decolonised countries like India and Egypt. (It was also a period, by the way, in which the apartheid regime was consolidating an extensive state-owned sector). The framers of the Freedom Charter were almost certainly thinking of some kind of nationalisation as a MEANS to ensuring ownership by "the people as a whole".

The people (not the government) shall govern!

But if it is misleading to de-contextualise the Charter from its history, it is also misleading to de-contextualise some sentences in the Charter from the Charter's overall thrust. In particular, it is critical to connect all other clauses of the Freedom Charter to the very first clause: "The People Shall Govern!" This first clause is very instructive when we consider the subsequent economic clause. The people shall govern clause refers to four inter-related dimensions of popular democracy:

electoral democracy, the right of all to vote (and to stand for election);



Comrades in struggle: Cde Jeremy Cronin (left) and Cde Julius Malema (below)



administrative democracy – the democratisation of the state apparatus;
 constitutional democracy – equal rights for all, “regardless of race, colour or sex”;
 and

(absolutely central to everything else) participatory democracy through the consolidation of organs of popular power – or what the Freedom Charter refers to as “democratic organs of self-government”.

Note, the Freedom Charter doesn't say: “The government shall govern”. It says: “The PEOPLE shall govern”. Of course, both a progressive government and a progressive ruling party (or parties) are

important, but they are means (not ends) to the popular democracy envisaged in the Charter.

Which is why, when the Freedom Charter speaks of transferring the commanding heights of the economy to the ownership of the people as a whole, it is not confining itself to what is often just a narrow bureaucratic take-over by the state apparatus and a ruling party's “employees”. And this is why the SACP also prefers in general to refer to “socialisation” rather than “nationalisation”.

State ownership is a legal form, but the mere fact of state-ownership doesn't tell us what kind of state we are dealing with.

What about the fat cats sitting on top of the soil?'

Hitler's Nazi Germany, Mussolini's fascist Italy, and Verwoerd's apartheid South Africa all had extensive state ownership of key sectors of the economy.

So much for background. But what are the actual merits of calling for the nationalisation of the mines in SA in the year 2009?

The mineral wealth beneath the soil...but what about the fat cats sitting on top of the soil?

Many comrades have responded to Malema by arguing that the "Mineral and Petroleum Resources Development Act" (2002) has already implemented the Charter's call for "the mineral wealth beneath the soil" to be "transferred to the ownership of the people as a whole." Indeed, this important and progressive legislation explicitly states that "South Africa's mineral and petroleum resources belong to the nation and that the State is the custodian thereof." In terms of this Act, private (or public) entities can be given a right to mine by government, but this right may not exceed 30 years. In other words, it is the "nation" (with the state as custodian) and not the mining companies that have legal ownership of the mineral resources beneath our soil.

This legislation (along with attempts to consolidate existing state holdings in the mining sector into a state-owned mining house) provide us with greater strategic leverage over the sector than we had before.

But clearly it cannot just be a case of what lies beneath the soil. What about all of those massive mining corporate entities sitting on TOP of our soil (many of them now with principal listings and mining operations off-shore)? Are they not among the monopoly industries the Freedom Charter had in mind?

Legal ownership...but what about strategic control?

This brings us to the next important distinction that we need to make. Legal ownership is only one part of the story. There is also the critical matter of effective strategic control over resources and over the production, beneficiation, logistics, marketing and investment processes inevitably linked to such control.

In this regard, cde Malema (and other Youth Leaguers) have argued that if we nationalise the mines we will be able to ensure that we beneficiate rather than simply being a primary commodity exporter. Here they are touching on some-

thing that is profoundly important. Even after 1994 we have continued to be locked into the same century-long, semi-colonial growth path that reproduces racialised inequality and underdevelopment. It is a growth path in which SA serves as a semi-peripheral exporter largely of primary commodities within the global capitalist market. It is a role that exposes us to many vulnerabilities, as witnessed in the current global meltdown, and it creates severe distortions in our domestic economy and society.

The beneficiation story

But while touching on this matter in passing, cde Malema is not able to carry his argument forward in a systematic way. In the first place, it is important to note that in some respects SA is already involved in very considerable mineral beneficiation. Eskom turns a significant proportion of our coal production into electricity. Sasol's global leading-edge technology beneficiates coal into oil and other petro-chemical by-products. Sasol, in fact, provides for some 35% of all our domestic petrol needs. Our coal into energy is also further (and problematically) beneficiated into aluminium at two major smelter plants at Richards Bay. Some of our iron-ore is beneficiated into steel by major corporations, including the former Iscor and now privatised multi-national Arcelor Mittal.

In these cases, the problem is not the lack of beneficiation but the kind of beneficiation. In the case of aluminium smelter plants, for instance, they are huge electricity gobblers, and the bauxite used for the production of aluminium is not even mined here, but shipped over from Australia. Basically, the aluminium transnational corporations came here to plug into our cheap electricity grid (and they have been given twenty-year electricity deals, way below what we pay for our own electricity). We are literally exporting at a loss South African electricity congealed into aluminium bars at a time

when we are facing major electricity shortages. Our coal-fired power stations are major carbon emitters and consumers of increasingly scarce water resources. These pose grave challenges of sustainability for us as a country. The pricing of beneficiated products on our local market is also a major problem – steel producers are under investigation for price collusion, and Sasol is notorious for undermining local downstream producers (and therefore job creation) with its price distorting monopoly behaviour.

Once we unpack the mineral beneficiation story in this way, we start to uncover the many systemic realities in our economy that lock us into a semi-colonial status within the world economy. It is these (and other) systemic realities that continue to reproduce crisis levels of unemployment and racial inequality. And it is these systemic realities, therefore, that need transformation, and they go to the heart of the possibility and necessity of a patriotic, multi-class, democratic and, yes cde Malema, even non-racial struggle to transform our country. It is a struggle that, of course, will be driven by the workers and poor, and by the aspirations and capacities of the black majority. In other words, this is the heart of today's national democratic struggle.

An analysis of the systemic realities that are reproducing under-development in our country, must surely lead us to call for greater use of renewable energy sources, for the phasing out of aluminium smelters, and for the re-nationalisation of Sasol. But it is not clear how the extensive nationalisation of the mines would contribute at this point to the transformation of our perverted accumulation path. In fact, if the state actually owned extensive coal mining interests, for instance, we might be tempted to avoid looking at renewable energy sources in the name of keeping some ailing state-owned Coalkom profitable for the shareholder.

Beneficiation or bling?

I suspect that cde Malema and others are missing this bigger systemic picture because when they speak of mineral beneficiation they are thinking of bling ... sorry, jewellery. There are, indeed, various initiatives to promote the local jewellery sector and these initiatives should certainly be supported.

But the idea that SA will grow into a major jewellery power-house to rival centuries-old artisanal traditions (and mar-

'Legal ownership: yes! But what about strategic control?'

kets) in India or Amsterdam, simply because some of the precious minerals happen to be mined here, is, I am sad to say, a pipe-dream.

Besides, it is not clear why nationalising a diamond mine will, for instance, necessarily give us a better competitive edge in the jewellery market.

Nationalisation or capitalist friendly bale-out?

There are further issues that require closer analysis. Some of us have already cautioned that nationalising mining houses in the current global and national recession might have the unintended consequence of simply baling out indebted private capital, especially BEE mining interests. At the beginning of this year, government estimated that some 80% of BEE deals were “under the water” as a result of the global recession. BEE mining shares were particularly hard hit as a result of the sharp fall in commodity prices on the world market. And while there has been something of a recovery for some commodities, the robustness of the recovery remains very uncertain.

But many (not all) of our mining sectors are also faltering because of other factors besides the recession. Electricity is estimated to be between 10% and 15% of mining operation costs. Cheap electricity and the way the grid has been historically structured in SA has had much to do with the dominance of mining monopolies in our economy. With impending, multi-year electricity price hikes, even if Eskom doesn't (and it musn't) get anything like its 45% hike, the viability of many of our mines will be severely impacted.

Then there is the sobering fact that mining is about non-renewable natural resources. Many of our gold mines in particular are increasingly depleted and unviable. Some reach costly depths of four kilometres below the surface. Recently the global gold price has bounced back, but it is telling that, unlike in the past, our gold output actually dropped by some 9% in the same period. Our gold mines are simply no longer able to respond dynamically to gold price rises.

What about expropriation without compensation?

The argument that nationalising the mines might unintentionally serve to bale out failing capitalists assumes, of course, that nationalising the mines would involve significant monetary compensation.

So what about straightforward expropriation without compensation? Contrary to what is often asserted, the Property Clause in the Bill of Rights actually sanctions expropriation “for a public purpose or in the public interest”. But the Bill of Rights still requires the payment of compensation for expropriation, at a price either agreed to by both parties or determined by a court.

Again, contrary to what is often said, this compensation does not have to be narrowly market-based. The Bill of Rights lists other realities that should also be factored in, including “the history of the acquisition and use of the property” and “the extent of direct state investment and subsidy in the acquisition ... of the property.”

Speaking as a Marxist (not a constitutional lawyer), I think an excellent case could be made that the new democratic state, acting on behalf of the people of SA, owes the mining houses absolutely nothing. The “history of the acquisition and use of their property” includes genocidal wars of dispossession that carved out labour reserves for the mines, and the massive deployment of state violence in the Anglo-Boer War that was directed at securing an imperial grip on SA's goldfields. The “history of the use of their property” includes hundreds of thousands of mine-worker deaths and injuries, and the wholesale destruction of the environment including the pollution of our ground-water. The extent of “direct state investment and subsidy” includes using billions of rands of public money on the building of rail-lines and ports, electricity power-stations and an infrastructure grid to serve the mining houses' narrow profit-maximising interests. It is the mining corporations that owe the people of SA trillions of rands in compensation, not the other way round.

But would the Constitutional Court see things in this way?

However, before we get too tangled up in

'An excellent case can be made that the democratic state owes the mining houses nothing'

legal arguments, and spend millions of rands on legal counsel, let's go back to the core issue. How, if at all, would the extensive nationalisation of the mines advance the national democratic struggle in 2009?

It would land the state with the burden of managing down many mining sectors in decline. It would further burden the state with the responsibility for dealing with the massive (and historically ignored) cost of “externalities” – the grievous destruction that a century of robber-baron mining has inflicted on our environment. In the current conjuncture, nationalising the mining sector at this point would also probably unintentionally bale-out private capital, in a sector that is facing many challenges of sustainability. The problems of liquidity and indebtedness for BEE mining share-holders are particularly acute.

Moreover, extensive state ownership of the mining sector would on its own not change any of the underlying systemic problems in our broader economy. And unless it was part of a much more fundamental transformation of our current accumulation path, it would also not change the semi-peripheral status of SA in the global economy – it might even worsen this status. In all probability it would also result in the state having to fork out billions of rands in compensation at a time when we have other key priorities that, precisely, have a better chance of contributing to a fundamental transformation of our current problematic accumulation trajectory.

Forward to the realisation of the Freedom Charter's ideals!

Our scepticism about the value at this point of extensive state nationalisation of the mines must, however, absolutely not be misunderstood to be a scepticism about the clarion call in the Freedom Charter for the wealth of our country to become COMMON wealth, the property of ALL South Africans. But how do we move towards the realisation of that goal? The SACP's Central Committee discussion document for our Special National Congress, (“Building Working Class Hegemony on the Terrain of a National Democratic Struggle”) attempts to answer precisely that question. We invite Cde Malema and anyone else who is passionate about fundamental transformation to engage us in the debate.

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Cde Cronin is SACP Deputy General Secretary

PERSPECTIVE 2:
JUSTICE MALEMA**“We do not need permission from white messiahs”**

The opinion article by Cde Jeremy Cronin, a renowned analyst and poet is openly reactionary, clothed in quasi-Marxist rhetoric, with potential to make a sorry and sad reflection of the true character of the South African Communist Party’s ideological steadfastness. What is worrying though is that Cde Cronin’s anti development and counter progress sentiments are projected as views of South African Communist Party.

It is highly unlikely that Cde Cronin represents the views and true character of the Communist Party because the Communist Party we know is one that was able to mould Nelson Mandela from an anti-communist radical into a true revolutionary who did not only embrace the Freedom Charter, but was willing to take up arms to defend it.

Communist Party activists played an important role in the ideological, political and organisational configuration of the ANC Youth League in the early 1940s and early 1950s, despite the hostility they encountered from the Youth Leaguers, particularly Nelson Mandela. When Nelson Mandela rebuked the Communist Party and physically disrupted its meetings, it was the longest serving General Secretary of the Communist Party, Moses Kotane who paid particular attention to the ready to fight anti-communist militant (Mandela) and transformed him into fighting nationalist revolutionary against the white bourgeoisie and the British imperialists.

William Nkomo, Walter Sisulu, Oliver Tambo, Joe Matthews and many of our predecessors in the Youth League matured within the revolutionary national liberation movement to accept the ideological guidance from the Communist Party. Practical joint programmes of what is now understood to be the alliance between the ANC and the Communist Party were pioneered by the founding generation of the ANCYL amidst condemnation by the Senior and older leadership of the ANC.

These realities about the Communist Party and many others make us to

earnestly believe that Jeremy Cronin could not be writing about the ANCYL’s call for the Nationalisation of Mines in the manner he did if he truly represents the Communist Party. But because Jeremy Cronin chose to write about the Nationalisation of Mines in response to the ANCYL, we are left with no choice but to respond and expose the reactionary undertones that characterise his input.

It is very sad that Jeremy Cronin decided to isolate me from the ANCYL 23rd National Congress resolution that “the State should be custodian of the people in its ownership, extraction, production and trade of mineral wealth beneath the soil, monopoly industries and banks”. We thought that it is only rightwing Newspapers and their attendant analysts who recurrently isolate me from the organisation, and indeed amazed that Jeremy Cronin has joined the band.

Socialisation v. nationalisation

Cde Jeremy Cronin takes issue with the fact that the ANCYL has called for Nationalisation of Mines, instead of socialisation. He says “this is why the SACP also prefers in general to refer to “socialisation” rather than “nationalisation”. This is quite odd because in the same opinion article, Cde Cronin re-asserts the Communist Party’s call for the Nationalisation of Sasol.

The SACP 12th National Congress resolved amongst other things, “to campaign for and ensure the re-nationalisation of companies in strategic sectors such Sasol and Mittal Steel with an ultimate aim of nationalising and socialising the commanding heights of the economy in line with the vision of the Freedom Charter”. It appears from this resolution and many others that contrary to what Cde Jeremy says, the SOUTH AFRICAN Communist Party has never preferred socialisation as opposed to nationalisation, and neither did it narrowly prefer nationalisation as opposed to socialisation.

'The SACP did not narrowly prefer socialisation over nationalisation'

In August 2009, the ANCYL released a Nationalisation of Mines conceptual framework on what our understanding of Nationalisation is, so as to avoid the confusion and misinterpretations that seem to dominate Cronin’s input. In the conceptual framework, we amongst other things said, “Nationalisation is not a panacea for South Africa’s developmental challenges, but it should in the manner we are proposing it, entail democratising the commanding heights of the economy, to ensure they are not just legally owned by the state, but that they are thoroughly democratised and controlled by the people”.

What is vital and important in the immediate is that Nationalisation of Mines should happen and the question, methods and approach of socialisation is directly consequent of the decision to Nationalise. Comrade Jeremy does not appreciate such, he instead philosophises the entire question so that he can reach reactionary conclusions.

In the ANC, “transfer of mineral wealth beneath the soil, monopoly industries and banks to the ownership of the people as a whole” was correctly understood as nationalisation if the government that nationalises can justly claim authority and based on the will of the people.

In the aftermath of the ANC’s adoption of the Freedom Charter, the leadership of the ANC recurrently affirmed “transfer of ownership to the people as a whole” as amounting to a legitimate government’s control and ownership of the commanding heights of the economy. Various evidence points to the fact that ownership by the people as a whole was construed to be meaning Nationalisation. Cde Jeremy Cronin is the one speaking English, not politics, and does not even provide a conceptual foundation of what is meant by socialisation.

Responding to a critique of the Freedom Charter by a Jordan K. Ngubane, who was against the economic clause of the Freedom Charter, President Albert Luthuli said in June 1956 that, “In modern society, even amongst the so-called capitalistic countries, nationalisation of certain industries and commercial undertakings has become an accepted and established fact. Only the uninitiated and ignorant would suggest that the Union of South Africa is going to Moscow because its Railways, Broadcasting and Post Office services are nationalised”.

President Luthuli further illustrated that nationalisation as called for in South

Africa and in the Freedom Charter did not amount to the Moscow style command economy, and this point is categorically stated in the July 2009 ANCYL's conceptual basis on nationalisation.

Again in 1956, a leader of the ANC, Nelson Mandela said, "It is true that in demanding the nationalisation of the banks, the gold mines and the land the Charter strikes a fatal blow at the financial and gold-mining monopolies and farming interests that have for centuries plundered the country and condemned its people to servitude. But such a step is absolutely imperative and necessary because the realisation of the Charter is inconceivable, in fact impossible, unless and until these monopolies are first smashed up and the national wealth of the country turned over to the people". There is absolutely no confusion on the understanding the leadership of the ANC had on the Freedom Charter, and the contemporary interpretations should not confuse us.

Former ANC President Oliver Tambo said in the 1969 political report to the National Consultative Conference in Morogoro that, "At the moment there are vast monopolies whose existence affects the livelihood of large numbers of our people and whose ownership is in the hands of Europeans only. It is necessary for monopolies which vitally affect the social well-being of our people such as the mines, the sugar and wine industry to be transferred to public ownership so that they can be used to uplift the life of all the people".

In his first public address after release from prison, former President Nelson Mandela said, "nationalisation of the mines, banks and monopoly industry is the policy of the ANC and a change or modification of our view in this regard is inconceivable". Oliver Tambo, Walter Sisulu, Chief Albert Luthuli and Nelson Mandela played critical role in the consultation for the Freedom Charter and adoption by the ANC, and they could not be mistaken.

Beneficiation of minerals

Again, Comrade Jeremy deliberately provides incomplete information about the Minerals that are beneficiated in South Africa, clearly with the hope that we will not have information to disapprove him. Indeed COAL is used for electricity generation; Sasol uses certain Minerals to produce oil and the Aluminium Smelters smelt Aluminium. The Mineral Wealth in

South Africa that is not beneficiated locally far exceeds the ones that are beneficiated in ESKOM, Sasol and the Aluminium Smelters.

South Africa is home to vital minerals reserves in the world, and this includes platinum group metals (70%), gold (40%), manganese (70%), chromium (70%) and 54 other minerals. What exactly happens to these Minerals is not known, yet Comrade Jeremy knowingly avoids this question because his main interest is centred on protecting and defending the existent property relations. The only thing we can do, as he suggests, is to transform the pattern of capital accumulation, not change it. We will never say that Comrade Jeremy is reformist because the Youth League will be considered as and labelled BEE funded anti-communist, only obsessed with shiny objects.

We said before that "our call for nationalisation is based on the Freedom Charter, but also on the fact that such will enhance and harness the State's capacity to create jobs and open economic opportunities for majority of our people. The State control, ownership and expansion of our mineral processing and beneficiation will play a critical role in labour-absorption of many other workers into the South African economy. Buttressed by a comprehensive social security strategy and industrial policy, South Africa needs high labour-intensive programmes to decisively deal with the unemployment and poverty challenges".

This call in Comrade Jeremy's books is reduced to the ANCYL's obsession with bling to the extent that we can never think anything developmental, but bling. It is sad that previously, those who look like us were considered intellectually inferior by the white supremacists, and today Comrade Jeremy reflects the same sentiment, even before he interacts with the views of the ANCYL.

The ANC's 52nd National Conference resolutions re-affirm that "the use of natural resources of which the state is the custodian on behalf of the people, includ-

ing our minerals, water, marine resources in a manner that promotes the sustainability and development of local communities and also realises the economic and social needs of the whole nation".

This requires resolute leadership and decisive intervention into South Africa strategic economic sectors. There are lots of industrial beneficiation programmes South Africa can initiate and/or cause to happen despite jewellery. We are very aware that value can be added to Minerals not through jewellery only, but through various labour absorptive and developmental programmes.

The ANCYL said in August 2009 that "One of South Africa's greatest challenges is its high levels of unemployment. Added to the low skills reality, the South African economy is not sufficiently labour-absorptive to the extent that even if the entire workforce would be skilled, the economy would not absorb all workers into decent employment. So the creation of various labour absorptive job opportunities is vital to deal with the unemployment and poverty challenge. Mining as a critical component of the South African economy should necessarily be used to expand and industrialise the South African economy in a more developmental, instead of parasitic mechanism pursued by the current owners of Mining activities in South Africa".

Comrade Jeremy did not read this, and instead suspects that myself as President of the Youth League "and others are missing this bigger systemic picture because when they speak of mineral beneficiation they are thinking of bling...sorry, jewellery". Can it be possible that we dedicating our struggle against prejudices elsewhere whilst they exist within the organisation?

Black people and particularly Africans in Mining do not own anything above 10% of the Minerals extraction, production and trade in South Africa. Even those who think they own, do so on behalf of white owned and controlled Banks. It is an open secret that majority of shareholder capitalists in Mining are heavily indebted, and why is it that the main concern for Comrade Jeremy is the Youth League's imagined efforts to save blacks and Africans in the economy through Nationalisation.

Cde Jeremy's silence on the wealth that will be transferred from the white minority to the black and particularly African majority is very loud. It appears that the only concern Comrade Jeremy has is that

'Comrade Jeremy deliberately provides incomplete information'

these black indebted shareholder capitalists will be saved by the call for Nationalisation and nothing else. The Nationalisation that should happen should never be a blindly driven programme, but extremely cautious as it might impact on the government fiscus and disable the ANC government's capacity to build better lives for all.

If Indeed Gold Mining will cause more cost instead of benefit South Africa, then we will not concentrate our energies on Gold. Platinum, chrome, manganese, diamond, coal, and most of the other 54 minerals continue to be strategic minerals and their extraction, production and trade should benefit the people as a whole.

Expropriation?

The question of expropriation does not arise and squarely falls within the conceptual framework we previously raised, that "depending of the merits of the each case based on "balance of evidence", nationalisation may involve expropriation with or without compensation". This is vital and should be decided on a case by case basis. Part of the models we are considering as an approach to Nationalisation of Mines is the Botswana model where De Beers is a 50% partnership with the Botswana government and still pays royalties and tax.

None of the Mining Licence Holders in South Africa currently have more than 30 years licence, and a substantial part of the country's platinum and other vital minerals is not mined, entailing that if the partnership model is the one endorsed by the ANC National General Council in September 2010, the people of South Africa will be benefiting from as soon as new partnerships are entered into.

Conclusion

The Constitutional Court will not be involved in all these because our call for Nationalisation and its ultimate realisation will never violate the Constitution. We have sufficient political power and the question is whether we have the capacity, courage and will to use political power for the benefit of the people as a whole. Whilst important for the life of the organisation, debates should not seek to undermine the intellectual capacity of other comrades, but should be used as contribution to the development of our movement.

Ideologues of the movement should never be tempted to fall into an arrogant

trap and believe that they are the only ones capable of expressing views, and completely not care about engaging with (or at least read) official perspective positions of the component organisations of the National Liberation Movement.

The ANCYL will interact with all discussion documents of the movement, including the SACP Special National Congress documents, but will never agree to be co-opted to reformist programmes and projects of anyone. South Africa in 2009, more than in other period in its history, is strategically in a space and period to Nationalise Mines.

The Communist Party should in this instance always seek to enrich the debate and discussion on the Nationalisation of Mines and avoid joining reactionary and counter-revolutionary forces who believe the status quo in terms of property relations is acceptable. No amount of bickering from both Right and fake-Left forces will diminish our efforts to ensure that Mines and other strategic sectors of the South African economy are nationalised. We also do not need the permission of white political messiahs to think.

Cde Malema is President of the ANCYL

PERSPECTIVE 3: JEREMY CRONIN

"Let's try that again"

Well...it's not easy these days to have a robust but comradely discussion. The Sowetan of November 20 demonstrated this point graphically. On page four of last Friday's edition of the paper a brief single column story was head-lined "Cronin backs Malema". This story correctly quotes me agreeing with cde Malema that the Freedom Charter, in calling for the "wealth to be shared", was effectively demanding nationalisation as one important means for achieving this objective.

'Do we have the courage to use political power for the benefit of the people?'

But turn the page of the very same issue of the Sowetan and there you will find a five-column story head-lined "You're no messiah – Malema attacks Cronin over nationalisation". Both stories are referring to exactly the same original intervention that I made in last week's Umsebenzi On-Line!

I don't blame the journalists involved. (But what were the senior editorial staff smoking on the Thursday night the edition went to the printers?) The confusion in the Sowetan reflects cde Malema's own misunderstanding of what I and many other alliance comrades have been trying to argue on the question of the nationalisation of the mines.

I have no interest in cde Malema's personalised diatribes. They only serve to distract from what are important positive and constructive points that the ANCYL collective, at least, has been making on the topic of nationalisation. Let's rather focus on what I take to be the substantive matters that cde Malema imagines he is raising in his response to me.

Nationalisation vs. socialisation?

"Cde Jeremy Cronin", he writes, "takes issue with the fact that the ANCYL has called for the nationalisation of mines, instead of socialisation". He then quotes from SACP resolutions that call for the re-nationalisation of Sasol, for instance.

But I never said the SACP is opposed to, or doesn't ever use the word "nationalisation". What I did say is that fascist, apartheid and progressive states have all implemented nationalisation programmes. Even neo-liberal states have recently implemented massive "nationalisation" programmes. George W Bush jnr, for instance, took over the giant US mortgage companies Fannie Mae and Freddie Mac to the tune of \$5,4 trillion dollars. This is a national debt with which ordinary US citizens will now be saddled for generations to come.

When we call for nationalisation we need to spell out what KIND of nationalisation we have in mind. We should closely examine whose CLASS interests nationalisation in any particular case serves. And that is why I think it is always useful to link nationalisation to socialisation.

The ANCYL's important July 15 framework document "ANCYL's Position on the Nationalisation of Mines" (which, I admit, I had not properly re-read before writing last week) makes the same basic point in different words: "Nationalisation

is not a panacea for SA's developmental challenges, but it should in the manner we are proposing it, entail democratising the commanding heights of the economy, to ensure they are not just legally owned by the state, but that they are thoroughly democratised and controlled by the people."

I think that makes the point more clearly than I did. No disagreement.

Is the Freedom Charter calling for nationalisation?

In my original intervention, I spent some time AGREEING with cde Malema and the ANCYL on this point. Although the Charter doesn't literally use the word "nationalisation", it is patently obvious to anyone who knows the mid-1950s context in which it was adopted that the relevant clause had in mind that the mines, banks and other monopoly industries should be nationalised.

Drawing from the ANCYL framework document, cde Malema quotes both President Albert Luthuli (in 1956) and President OR Tambo (in 1969) making this fact absolutely clear. They are wonderful quotations from great leaders, and we should thank the ANCYL for reminding us of them.

Again, no disagreement.

Mineral beneficiation

It is here that I made my own misstep. I was trying to introduce a touch of polemical spice into what can sometimes be a dry topic. I suggested, more in jest than seriously, that cde Malema possibly thought of beneficiation largely in terms of bling. It was a silly comment, and I apologise. I had not realised that cde Malema had such a delicate skin.

But, again, let's not allow polemical flourishes (in this case my own) to obscure substantive issues. Cde Malema correctly asserts that: "Mining as a critical component of the South African economy should necessarily be used to expand and industrialise the South African economy in a more developmental [way], instead [of] a parasitic mechanism pursued by the current owners of mining activities in SA."

I agree. I also agree that the majority of our mineral production continues to be exported largely unprocessed and that this reproduces our semi-colonial economic status in the world economy. It also costs SA many potential jobs.

So where, then, if at all, do we actually begin to part ways?

Whose class interests?

When I briefly described the seriously problematic features of the actual beneficiation that occurs currently with Eskom, Sasol, Arcelor Mittal and aluminium smelters, I WASN'T saying "we have already got beneficiation, so let's not worry about more beneficiation." I was making an entirely different point. It is a point that cde Malema seems, for whatever reason, not to want to grasp.

The SACP firmly supports the principle and objectives of broad based black economic empowerment. In fact, it was the Communist Party in 1929 that first pioneered the strategic perspective of black majority empowerment in SA. But the moment you disconnect a class analysis from a national (or, if you like, "race") analysis, then BEE inevitably starts to lose its broad-based Charterist character. If you disconnect a class analysis from a race analysis you run the danger of wittingly or unwittingly serving the interests of monopoly capital in SA and its comprador and parasitic allies – many of whom have been close to, or actually within our movement.

Take the case of the "Mineral and Petroleum Resources Development Act" (2002). During the parliamentary hearings on the Bill, COSATU and other progressive forces argued that commitment to downstream beneficiation should be made a mandatory requirement for any 30-year mining licence. However, the Department of Minerals and Energy and its then minister, Phumzile Mlambo-Ngcuka, resisted this amendment. Many comrades had the distinct impression that key ministerial advisers (some of them now in COPE) were keen to use the legislation as leverage to force mining conglomerates to provide a slice of action to aspirant black share-holders. But they were less keen to "burden" the profit-maximising aspirations of incumbent mining corporations and their future partners with responsibilities for beneficiation.

As a result, the present Act is weak

when it comes to requiring beneficiation. We now have a sad irony. The Chinese, for instance, are willing and keen to invest in manganese beneficiation manufacturing plants here in SA. But this possibility is compromised by the fact that many of our manganese deposits have been leased out for 30 years to the same old established mining conglomerates and their new "patriotic" bourgeois hangers-on.

This example raises a number of related issues. For instance, would a legislative amendment to the Act not be a more effective (and affordable) way to leverage developmental beneficiation, at least for any new licences? This is a practical question, not a desperate attempt to avoid nationalisation at any cost.

There are many other job-creating, down-stream possibilities where the use of democratic state power to leverage transformation out of the mining sector should be considered. For instance, some genuinely patriotic emerging black entrepreneurs have been asking me why we do not impose national shipping quotas on the mine monopoly sector. More than 90% by volume of all of our exports (mostly minerals) are by sea. Yet all of the shipping involved is foreign-owned, the crews are overwhelming non-South African, and the shipping lines pay taxes in other countries. SA's once relatively significant maritime sector is now down to one single registered ship. Meanwhile, the rest of our logistics network (roads, freight rail and ports) still dedicates billions of rands of public money to lowering the cost to doing business for the mining conglomerates and their new allies.

None of this means that we should simply rule out the question of nationalising the mines. And the SACP has never ruled this out. But it does mean that you don't necessarily need to nationalise mining operations to achieve major immediate transformational objectives.

The ANCYL's framework discussion document does a good job in defending the broad principles of the Freedom Charter against all kinds of reformist back-sliding. It does a good job of defending the principled right of a democratic state to nationalise the commanding heights of the economy to advance democratisation. But it remains vague when it comes to the actual detail of what mines should be nationalised, and how they should be nationalised. It doesn't address itself to the question of whether nationalisation would be the most strate-

**'I had not realised
Cde Julius had such
a delicate skin'**

gic and sustainable use of massive public resources at this point in time.

Above all, the ANCYL's document is not able to allay suspicions about whose class interests would (perhaps unwittingly) be served by nationalising mines in the midst of the current recession.

As the still exploratory shipping example above should illustrate, the SACP has never argued that there cannot be shared, multi-class points of strategic patriotic convergence. Multi-class alliances are exactly what a national democratic revolution is about. But the possibility of convergence does not mean that each and every promotion of black-owned capital always advances national liberation. Such promotion (or bailing out) might result, in specific cases, in substantial broad based black economic DIS-empowerment.

The SACP certainly wants to pursue the discussion around the ownership and control of the economy with the ANCYL and with the rest of our alliance. Hopefully cde Malema in his busy schedule will find time to be part of this discussion some time before June next year.

Asikhulume

PERSPECTIVE 4: KIMANI NDUNGU

"In defense of Cronin"

"The mineral wealth beneath the soil, the Banks and monopoly industry shall be transferred to the ownership of the people as a whole" (The Freedom Charter, 1955).

It seems to me that the current vitriolic response by cde Julius Malema to cde Jeremy Cronin's arguments on the question of nationalising mines (Should we nationalise mines? Umsebenzi Online, vol. 8 No. 20, 18 November 2009) is hinged on a rudimentary, static and dogmatic interpretation of the Freedom Charter.

According to cde Malema, cde Cronin's arguments which call for the socialisation rather than the nationalisation of mines, and his challenge to him and the ANC Youth League to make "a serious attempt at a collective policy document on this matter" are 'openly reactionary', 'anti-development' 'counter progress' in line with 'rightwing newspapers and their attendant analysts', 'centered on protecting

and defending existing property relations' and besmirch of 'intellectual superiority'. Malema winds off by declaring Cronin 'a fake-left force' and a 'white political messiah'. Quite a mouthful, indeed!

But absent the individualised attack on Cronin which is unfortunate, what precisely is their difference in argument? Is Malema's nationalisation call a faithful interpretation of the Freedom Charter, or is Cronin a selective analyst who hides behind context and conjuncture to justify his position? To borrow from a popular phrase, are these two senior leaders of our Alliance reading from the same hymn sheet?

Theoretical confusion

Like the Freedom Charter, cde Malema's, and the ANC Youth League's postulations on nationalisation are unfortunately not the epitome of clarity. There is a fundamental dissonance between cde Malema's and the League's theorisation of nationalisation and how this thinking is to be translated into practice.

In the Conceptual Document entitled: "ANCYL's Position on the Nationalisation of Mines", the League seems uncertain about how precisely nationalisation is to be effected. On the one hand, the League calls for the state to "own, control, extract, process, beneficiate and trade mineral wealth on behalf of the people", but then quickly cautions us that nationalisation, "is not a panacea for South Africa's developmental challenges". However, the Conceptual Document goes on to reassure us that if mines are nationalised in the manner the League suggests, it will be possible to place the mineral wealth of the country "in the hands of the people and that the people will benefit from such wealth". Fair enough. What is this suggestion?

According to the Document, effective nationalisation will be realized through "democratising the commanding heights of the economy, to ensure they are not legally owned by the state, but that they are thoroughly democratised and con-

trolled by the peoples". But what is democratisation? Sadly, the Document does not define for us this critical term although we may assume it means the popular ownership and control of the means of production.

Still, the confusion, or more precisely, the lack of clarity does not end there. After asserting that "the State's control and ownership of [m]ines will amount to direct developmental investment into South Africa's economy" the Document then presents a mixed economy ownership model which entails strategic partnerships with mining companies and the presence of small and medium mining enterprises:

"The kind of partnerships which can be considered in the immediate [future] could include but not limited to State control of majority shares in all big mining corporations, whilst allowing the Small and Medium mining houses to privately extract and trade minerals. Botswana and Namibia present useful archetypes on how South Africa can approach and practicalise this consideration".

At this stage, we are left no wiser as to what the League, and Cde Malema in particular, mean by nationalisation. We believed as we were asked to do by the Conceptual Document, that nationalisation means the ownership, control, extraction, processing, beneficiation and trading of mineral wealth on behalf of the people. A few sentences later, we heard that ownership does not entail legal ownership but rather, a vaguely defined concept called the democratisation of the commanding heights of the economy. Now we have been told that nationalisation could also be realized through strategic partnerships with big, predominantly white mining capital alongside small mining operators.

How different are the above arguments from the Economic Resolutions of the ANC's 2007 Polokwane Conference which say the party believes in:

"A mixed economy, where the state, private capital, cooperative and other forms of social ownership complement each other in an integrated way to eliminate poverty and foster shared economic growth".

Cde Malema would have us believe otherwise but his theoretical confusion is all too patent to miss. One wonders then why he chose to attack cde Cronin using language more befitting of Stalinist demagoguery than the informed engagement

'Are these two leaders
singing from the same
hymn sheet?'

of a vibrant and intellectually robust progressive youth movement.

The socialisation vs nationalisation debate

In defense of his argument for socialisation, cde Cronin suggests that the systemic nature of our economy coupled with our current economic reality are, above all else, critical to our understanding of how we should approach the call made in the Freedom Charter that “the mineral wealth.....shall be transferred to the ownership of the people as a whole”.

Cde Cronin argues that our colonial and apartheid past has imposed on us certain ‘systemic realities’ that we must contend with. These realities, which include an over-reliance on minerals for economic growth and the existence of monopolies in mining and beneficiation industries (e.g. ESKOM, Sasol and Arcelor Mittal), continue “to lock us into a semi-colonial status within the world economy”. In the words of cde Cronin:

“It is these (and other) systemic realities that continue to reproduce crisis levels of unemployment and racial inequality. And it is these systemic realities, therefore, that need transformation, and they go to the heart of the possibility and necessity of a patriotic, multi-class, democratic and, yes cde Malema, even non-racial struggle to transform our country. It is a struggle that, of course, will be driven by the workers and poor, and by the aspirations and capacities of the black majority. In other words, this is the heart of today’s national democratic struggle.”

Furthermore, cde Cronin cautions that at this economic juncture, the nationalisation of mines will most likely result in a “capitalist friendly bail out” of the many struggling mining companies. Many of these companies are unprofitable, struggling, BEE owned enterprises. In essence therefore, the objective reality of both the structure of our economy and the current economic crises are firmly against the idea of nationalisation, at least in its narrow sense of bureaucratic control by the state. I would not differ much with this approach.

Text and context: Revisiting the Freedom Charter

Dispute his conceptual confusion, a logical conclusion of cde Malema’s argument is that to remain faithful to the Freedom Charter, we must apply a strict or textual interpretation of the Charter’s and na-

tionalise the mines. In doing so, he cites no less a force than cde Mandela who said upon his release that “the nationalisation of the mines, banks and monopoly industry is the policy of the ANC and the change or modification of our views in this regard is inconceivable”.²

It was not the first time that cde Mandela had talked of nationalising the country’s economy. In an article titled “In our life time” published on 19 June 1956 in the journal “Liberation”, cde Mandela reiterated the call of the Freedom Charter to nationalise the economy by emphasising that:

“It is true that in demanding the nationalisation of the banks, the gold mines and the land the Charter strikes a fatal blow at the financial and gold-mining monopolies and farming interests that have for centuries plundered the country and condemned its people to servitude. But such a step is absolutely imperative and necessary because the realisation of the Charter is inconceivable, in fact impossible, unless and until these monopolies are first smashed up and the national wealth of the country turned over to the people.”

Did cde Mandela change his mind then when both he and the ANC deviated from the earlier stance and opted instead for a mixed market economy? I would argue not. By applying context, they simply accepted that nationalisation was impractical in a world trying to move away from the then sad failures of the socialist experiment. Indeed, cde Mandela has on many occasions relied on context to justify the shift in ANC policy. In 1961 when the ANC turned to armed struggle, he cited apartheid violence and the closure of all possible avenues for dialogue as the reason. And during this first public address after release from 27 years of imprisonment, cde Mandela while saying the armed struggle had to continue, went on to “express the hope that a climate conducive to a negotiated settlement will be created soon so that there may no longer be the need for the armed struggle”.

'We must resist attempts to shut down those with whom we disagree'

As a movement steeped in history, the ANC itself has embraced context at critical junctures in order to remain relevant to the needs and aspirations of the country’s majority. At its formation in 1912, the ANC was a party of petty-bourgeois religious and traditional leaders. By the 1940s and 50s, the party had been transformed into a militant, broad racial and class based movement. Towards the late 1970s, leadership of the movement had been opened to both black and white cadres.

The gist of my argument here is that context, or in Marxist language, objective conditions are central to the way we understand, and thereby interpret the Freedom Charter. While in 1955 nationalisation may have been the ‘panacea’ to overcoming the exclusive, white racial domination of the economy, more than half a century later, a much more nuanced approach is required. Today, our economy may still be over-reliant on the extractive industries for growth but the tertiary sector (services) has supplanted the primary sector as the main driver of economic growth. In 1955, blacks in general and Africans in particular were firmly excluded from both the management of the state and participation in the economy—except as consumers and providers of cheap labour. Today, a democratically elected, black-led government controls the levers of the state. In a nut-shell, the lens through which the Congress of the People examined South Africa’s political economy in 1955 cannot be the same one through which we look at it today.

Let a hundred flowers bloom

Critical and robust debate is the life-blood of any political movement and the opening up of democratic space within the ANC has been a welcome breath of fresh air since Polokwane. We must therefore resist attempts such as those made by cde Malema, to shut down those we do not agree with by hurling labels and epithets at them. It does our alliance no good to call those we differ from ‘reactionaries’, or ‘fake left forces’, or disturbingly ‘white messiahs’. Pre-Polokwane, those who dared to stray from the dominant thinking of the 1996 Class Project were demonised as ‘counter revolutionaries’ and ‘ultra-leftists’.

Before throwing his next insult, cde Malema may want to pose for a moment and reflect on Mao Tse Tung’s injunction to his party comrades in 1956 that “let a hundred flowers bloom, let a hundred

schools of thought contend". Even the ANC embraces Mao's sentiment when it says in its 52nd Conference resolution on "Communication and the Battle of Ideas" that "the debate on the battle of ideas must begin within the ANC itself, the Alliance and the broader democratic movement". Insults and innuendos do little to advance this battle.

For historical accuracy, it should be noted that cde Mandela did not make this call in his "first public address after [his] release from prison". These words do not appear anywhere in cde Mandela's first public address on the evening of 11 February 1990. Dennis Davis in his paper titled "From the Freedom Charter to the Washington Consensus" attributes the quote to an article appearing in the *Sowetan* of 5 March 1990.

Cde Ndungu is an SACP Sonia Bunting Branch Member

PERSPECTIVE 5: ISAAC MAHLANGU

"Why the left must not retreat from nationalisation"

The ANCYL has called for the nationalisation of mines. It understands that nationalisation of mines will not be a solution to all the problems that the country or the sector faces. President of the ANCYL comrade Julius Malema has been emphatic in stating that "our call for nationalisation of mines is in such a manner where the State will own mineral wealth and mines as a custodian of the entire South African population, and not a custodian of few big-businesses" and he has further indicated that such a move would place the country in a better position to address our developmental challenges.

It was always to be expected that a call for state (or public) 'ownership' and 'control' of mines was going to meet fierce resistance from the pro-business lobby and other so-called 'independent' analysts.

Public ownership of enterprises or even the presence of 'State-owned enterprises' (SOEs) in the mining sector was always going to touch a raw nerve with many of such individuals given that mining directly contributes more than six percent of Gross Domestic Product (GDP) and

close to ten percent of total direct fixed investment (before recession). If the nationalisation of mines were realized there is significant wealth and resources that would now be out of private hands.

We were also prepared for a serious onslaught from those who were brought up on largely unsupported neo-liberal economic theories that favour private ownership and privatisation. In their eyes the move of resources and enterprises from public to private hands (achieved in many countries at the height of the dominance of the World Bank and International Monetary Fund driven 'Washington Consensus') should not ever be reversed. How could this be so with SOE characterised by serious and chronic inefficiency, waste and mismanagement? Forgetting well documented evidence of success in some cases of public ownership and state owned enterprises!

The exchange between President Malema and the Deputy SG of the SACP, cde Jeremy Cronin, whilst very robust, has actually helped clarify the many areas of agreement and contention between the ANCYL and SACP (and even perhaps many others 'that took cover and dodged bullets' as the comrades engaged).

Firstly, it seems there is no question on the interpretation of the 1955 Freedom Charter. The proposal for the nationalisation of mines, is the call of the Freedom Charter, which says unequivocally that "the mineral wealth beneath the soil, monopoly industries and banks shall be transferred to the ownership of the people as a whole". The people as a whole is vividly distinguishable from State rentals of mineral wealth to big corporations who brutally exploit labour and unsustainably exploit mineral wealth to make big profits". Comrade Cronin concedes this point (saying "it is patently obvious to anyone who knows the mid-1950s context in which it was adopted that the relevant clause had in mind that the mines, banks and other monopoly indus-

tries should be nationalised").

Secondly the relevance of 'nationalisation' as an intervention to deal with problems in mining is acknowledged in the exchanges, including the principled right of a democratic state to nationalise the commanding heights of the economy to advance democratisation (as stated in Cronin's follow-up). The advances made in transforming the mining industry to benefit our country as a whole are there for all to see. New legislation has been passed, through the Minerals and Petroleum Resources Development Act (MPRDA) the State now retains control of all mineral rights.

The adoption of various policies and implementation of the Mining Charter are also to be noted. Nevertheless, one cannot help but lament the lack of movement by the sector on issues of transformation (employment equity, social and labour plans, local procurement, skills development etc.) and many others that were identified even in the RDP document such as the impact of mining on the environment, beneficiation, import-parity pricing, lack of opportunities for small scale mining, health and safety among others. The Deputy President of the country, comrade Kgalema Montlhanthe has also acknowledged in a recent address to the Chamber of Mines that it is these very concerns about the lack of transformation in the industry that have fuelled a call for nationalisation of mines.

The issue of 'Nationalisation and socialisation' is one that is fairly prominent. Nationalisation is well understood and involves public (the 'State 'on behalf of the people') ownership of previously privately owned enterprises or resources. Some comrades are talking about 'socialisation'-at times unclearly articulated. Cde Buti Manamela argued in an interview (*Business Day* 25th November) that "socialising" the commanding heights of the economy was a better option (than nationalisation). He said they would go beyond formal state control to real ownership being in the hands of the people, not BEE companies in need of bail-outs.

But what does that all mean? Instead of implementing a simple policy of nationalisation (and why should it necessarily benefit a black elite without consideration of the poor and the working class under our watch?) the advocates of 'socialisation' hope we can postpone that for the implementation of socialism tomorrow (classless society here we come). Fortunately, cde Cronin in his follow-up

'The advances made in transforming mining are there for all to see'

does concede that nationalisation is not something anathema to the Party (SACP). The ANC Youth League correctly within the Freedom Charter's policy directives is calling for nationalisation of mines, which should benefit the people as a whole. The Party as a vanguard of the working class in the struggle for socialism will within this context call for and ensure that socialisation of mines is realised.

Cde Cronin raises an important issue for consideration when he brings in the timing and strategy. There are clearly some matters that must be addressed around the global environment and post-Polokwane environment. Can these be considered unfavourable for our proposal of the nationalisation of mines?

CdeMahlangu is ANC Youth League
Mpumalanga Provincial Secretary

PERSPECTIVE 6: JEREMY CRONIN

"More and more curious"

The present discussion on nationalising the mines runs the danger of becoming too narrowly focused. It's a mistake to detach the question of the ownership of the mines from the overall strategic thrust of our economic policy programme.

This strategic programme has emerged with increasing clarity from recent SACP and COSATU congresses, and from the ANC's December 2007 watershed 52nd national conference. Our shared strategic perspective has been further consolidated at our most recent mid-November Alliance Summit. If we are to make progress in the discussion around the mining sector, for instance, then we need to begin by identifying what we are saying is our key overall strategic economic priority. Last month's Alliance Summit summarised it crisply as "transforming the structure of the economy and moving to a different growth path".

So what is problematic about the structure of our economy? Why do we need to move to a different growth path? At the heart of our problems is that even when our economy has been growing, as it did in the recent past, this growth has tended to reproduce (and in some cases worsen) racialised inequality and under-development.

In 1994 unemployment was around 24%. Just before the global recession began to bite locally, in the latter half of 2008, after some fourteen years of "unprecedented" growth, we had barely managed to return the unemployment level back to the same crisis level of 24%. After 15 years of democracy, and notwithstanding many important efforts, we succeeded in going round in a circle! The rich got richer, but our country was not transformed. In the present recessionary conditions the unemployment levels are now rocketing up, with nearly 1 million jobs lost in this year alone.

Why is it, then, that even in the "good times", our economy reproduces crises of inequality, poverty and general under-development?

The answer is that we are still locked into basically the same semi-colonial economic growth path that was first forged in the imperialist-dominated mining revolution in SA over one hundred years ago. Our economy remains excessively dependent on primary commodity exports. On the other hand, we are excessively dependent on imports of capital goods (machinery), technologies and luxury goods. Even relative to many developed capitalist economies, we have extremely high levels of corporate concentration ("monopoly capital"), especially in the minerals and energy complex, in finance, chemicals, and increasingly in agro-processing. These high levels of concentration continue to shape our economy in many problematic ways. Our economy tends to be capital not labour-intensive. It is extremely energy-intensive, and the infrastructure (transport logistics, ICT, water, energy) is all skewed towards the narrow interests of monopoly capital.

All of these features, along with collusive, monopoly pricing practices by the dominant monopoly capital sectors, serve to throttle any organic growth of more labour-intensive, medium and small-scale light manufacturing, agricultural and service sectors – not to mention cooper-

'After 15 years of democracy, we succeeded in going around in a circle'

atives. High levels of unemployment and skewed infrastructural and spatial development narrow our national market, and further entrench our export-oriented dependency. Historically, big capital in SA has also acted aggressively as a sub-imperialist power, undermining a more balanced approach to regional development and production, further weakening our potential regional market.

This is why our recent Alliance Summit statement is absolutely correct to identify the transformation of the STRUCTURE of our economy as the key strategic task. In fact, this is now the key multi-class and, indeed, non-racial patriotic task of the national democratic revolution in the present conjuncture.

And this is why we need always to ensure that any economic discussion – whether it be about BEE, or infrastructure development, or nationalising the mines – always returns to this fundamental question: Will this or that specific economic policy proposal actively contribute to transforming the highly problematic STRUCTURE of our economy? Or will it, wittingly or unwittingly, simply help to REPRODUCE the same essential semi-colonial structural features?

The strange case of nationalising in order to privatise!

Sello Rasethaba, chairperson of the Lobbying Corporation of SA, has made an interesting contribution to the debate around nationalising the mines ("We should follow the Chinese route", City Press Business, 29 November). Rasethaba positions himself as a protagonist of nationalising mines in SA. His article, however, confirms and compounds the concerns that many of us in the ANC-alliance have about the timing and motivation behind at least some of the recent calls for nationalisation.

Rasethaba mentions, in passing, the SACP's recent interventions on this topic. He claims that "Jeremy Cronin" has said "many mines were now owned by struggling BEE groups, which meant that nationalisation would be little more than a bail-out at taxpayers' expense. I do not know where he [that's me] gets his evidence from, but he is wrong because the top 30 resources companies that control more than 90% of the sector are in white capital's hands and are controlled by foreigners."

There are two major confusions here. No-one has ever said that BEE groups are dominant in our mining sector. What has

been said is that our mining sector in general has been hit by the global recession. BEE interests in mining tend to be particularly vulnerable precisely because many operate in marginal mines and because most of their share-holdings are highly geared. Moreover, some (not all) of our resource sectors are now in serious long-term decline. The obvious example is gold, where, despite the recent significant surge in the gold price, output has declined by 9%.

While, in principle, the SACP certainly supports the nationalisation of the commanding heights of our economy, any move to nationalise mines now needs to be closely scrutinised. Would nationalisation be the best allocation of billions of rands of public money in the current reality? Whose class interests would be served? Would we be baling out capital in general and not just BEE elements (although these latter might be particularly anxious to be bought out, given their high levels of indebtedness)? Would we be saddling the public sector (and therefore taxpayers) with the burden of managing down declining sectors, allowing those who have made trillions of rands of super-profits to walk away from responsibilities to workers, communities, and a ravaged environment plundered for over a century?

Then there is the other confusion embedded in what I have just quoted from Rasethaba: “the top 30 resources companies that control more than 90% of the sector are in white capital’s hands and are controlled by foreigners.” If these resources are controlled by “foreigners”, then are they really in “white capital’s hands”? Yes, I suppose, if you assume that “foreigners” are necessarily “white”. So who are these foreigners? Well, of course, foreign holdings in the SA resources sector are diverse, typically cosmopolitan investment funds and multinational corporations. In the interesting example that Rasethaba cites, the ASA Metals joint venture, it is a Chinese state-owned corporation that has a 60% controlling interest, while 40% is currently held by a provincial publicly-owned entity, Limpopo Economic Development Corporation (LimDev).

All of this illustrates that it is far too simplistic to divide capital into “white” and “black”. (Is Chinese capital “yellow”, and if it is state-owned is it then “red”?) I am not for a moment denying that we are living still with the terrible reality of racialised inequality and exclusion im-

pacting upon the black majority of South Africans. In the SACP we are not colour-blind liberals. Our national democratic struggle is all about the radical eradication of national oppression AND the structural realities that still keep reproducing it. We fully support broad-based black economic empowerment (after all, it was the Communist Party that first pioneered this call in SA in the late 1920s).

But to make sense of different sectors and strata of capital, we need to analyse them in terms of their dynamic and functional realities. Is it capital that is largely dependent for its reproduction on productive investment, or on speculation, or on rent-seeking as a comprador go-between? Is it bound to a national market, not so much by sentiment, but by its location within the accumulation process, or is it cosmopolitan? Is it structurally parasitic on the state? Is it locked in by its indebtedness to others? We also need to distinguish between the agents of capital accumulation (owners and managers), with their various subjective political, cultural and ideological inclinations, and the underlying laws of capital accumulation (which ARE colour-blind).

Above all, we always need to ask what leverage the working class and other popular forces, together with our democratic state, have over different sectors and strata of capital and its agents in order to discipline them, as much as possible, into the transformative agenda we have highlighted above.

Unfortunately, Rasethaba’s attempt to promote nationalisation asks none of these strategic questions. And he doesn’t ask these questions for a very simple reason – he has a very different agenda.

Beneath the surface of his argument a strange paradox is apparent. He is in favour of public ownership of mining interests...but essentially as a route to then privatising much of them on behalf

of aspirant black capitalists! He commends Limpopo’s publicly-owned LimDev’s endeavours “to sell 30% of its [minority] stake in ASA Metals...”, and its “expression of interest for a BEE partner to buy 62,5% of its 40% stake” in the same company (I don’t quite understand the arithmetic here, but nevermind). But he doesn’t explain how any of this will contribute to job creation, or enhanced beneficiation.

He bewails the fact that the “state missed [an] opportunity to assist black mining entrepreneurs by not using the proceeds from the royalties legislation to fund new entrants”. Again, he doesn’t tell us how using public proceeds in this way would advance the transformation of our skewed, semi-colonial growth path. I am not saying that it wouldn’t – but I am saying that we need to know how it would.

He calls on SA to “nationalise companies in strategic sectors” using the balance sheets of the state-owned African Exploration Mining and Finance Corporation, the IDC, PetroSA, the PIC, Eskom and Transnet. But to what end? He tells us that “these entities must expand into the African continent and eventually go global...” Again, he simply replicates the sub-imperial ambitions of Cecil Rhodes and all of his successors. Again he simply calls for the intensification of the same flawed growth path.

It is true that he qualifies himself by saying we must expand beyond our borders “while heeding the national interest and security of the republic and the welfare of South Africans”. But what about our neighbours? What about Zambians or Mozambicans or Angolans? What about an entirely different kind of relationship of developmental solidarity between SA and its region?

The ironies of Rasethaba’s intervention, where nationalisation is espoused to advance privatisation, are best explained by understanding that he consistently conflates South Africa’s national interests with the sectoral interests of aspirant black capitalists. Emerging black capitalists may well be able to contribute to a multi-class national struggle to transform our society. But this will not happen spontaneously. They will need to be marshalled within the discipline of a common strategic objective of transforming the STRUCTURE of our economic growth path. And that is quite a different matter from simply changing the supposed “colour” of capital.

'it is simplistic to divide capital into 'black' and 'white'

NATIONALISATION DEBATE

Finding common ground to fulfil the demands of the Freedom Charter

Madoda Sambatha argues that a state mining company and nationalisation are not mutually exclusive – and that unity is essential to advance the revolution

During 1945, as the Second World War came to an end, the government announced its intention to nationalise coal mining – the Coal Industry Nationalisation Act of 1946 provided for the nationalisation of the entire industry.

On 12 July 1946, the National Coal Board (NCB) was established and was given sole responsibility for managing and running the industry. The peculiar difficulties of the coal industry led to the retention by the Minister of Fuel and Power of strict ministerial controls in matters of production, pricing, modernisation, wage negotiations and recruitment. Imagine the developmental path and economic transformation our NDR would pursue if this was the current situation – not having to subject our mining development to the dictates of capital and mining conglomerates, while wage negotiations should remain the terrain of bargaining by the unions and employers? Clearly in this sector there is a need for the proclamation of minimum wages and conditions of services.

For the miners, this was the culmination of many years of struggle for public ownership of their industry. It is reported that nationalisation did improve wages and conditions of mineworkers. Investment in modern machinery led to greatly increased productivity. It was also reported that miners became among the highest paid of workers. While NUM should be applauded for improving con-



'Both the ANCYL call and the call for a state mining company should be welcomed'

ditions of services in the industry, clearly remuneration in the industry does not measure up to the centrality of the sector and dangers involved with the mining operations.

However they still had no power in an industry run by the NCB and local managers. The primary objective of the NCB was to make profits, not to meet social needs. This remains a challenge even in the parastatals and that is the reason why nationalisation of the mines should not take a similar approach. Just imagine the amount that would be required to

bail out the mining industry similar to how our budget gets diverted to bail-out certain parastatals. The Alliance must also engage on the issue of the parastatals and development finance institutions on the role they should be structured to play in our development.

In 1990, utat'uNelson Mandela in his first public address after release from Prison, said: Nationalisation of the mines, banks and monopoly industries is ANC policy, and any change to this policy is inconceivable”.

On May Day 1994, utat'uNelson Mandela told the Sunday Times that, “In our economic policies ... there is not a single reference to things like nationalisation, and this is not accidental. There is not a single slogan that will connect us with Marxist ideology”.

The call by the ANCYL

The ANCYL has raised the issue of nationalisation of mines sharply, supported by Cosatu and YCL. This should be appreciated as the new policy position of the ANCYL and those who support the call by the Youth League are invoking the Freedom Charter. Those within the Movement and government who are perceived to be against the call by the Youth League are arguing for a state mining company. The question is whether the two are different and opposed to each other? My personal view is that the two are not different. If government adopts the call by the ANCYL, it must then engage on the form and method of nationalising mines which will result in either a mining parastatal or state mining company.

The challenge that must be managed organisationally, within the Alliance is policy development by leaders in public discourse and focussing on individuals rather than the issues. Unfortunately in this debate, the ANCYL seems to have taken a position of ostracising any person who either argues around the correct reference to the Freedom Charter or state mining company or mineral wealth being nationalised by the Mining Resources and Petroleum Development Act. Comrades should take this as the first and correct step ever taken by our government with pressure from unions – NUM in particular.

This actually means that the state has legislative power to either empower workers or compel companies to compulsory community re-investment. Both the call by the ANCYL and those arguing for

a state mining company should be welcomed, lest the call become populist and a political point scoring tool behind either nationalisation of mines or the implementation of the Freedom Charter. This call has two critical stakeholders, mine workers and mining investors, with different interests in the debate and how it finally unfolds. More energy should be dedicated to the class war- the weakest argument our class enemy uses is that nationalisation will scare and drive investors away but strangely the same investors have not disinvested in countries where similar initiatives are in place.

Why is nationalisation or state mining company necessary?

The Morogoro Strategy and Tactics document says: “In our country – more than in any other part of the oppressed world – it is inconceivable for liberation to have meaning without a return of the wealth of the land to the people as a whole. It is

therefore a fundamental feature of our strategy that victory must embrace more than formal political democracy. To allow the existing economic forces to retain their interests intact is to feed the root of racial supremacy and does not represent even the shadow of liberation”.

The economic transformation in our country has to be shifted away from policies of only de-racialisation and these should be combined with policies that seek to change the fundamental economic ownership of the means of production. Government needs to move away from only ownership of the mineral rights beneath the soil and through its state mining company (African Exploration Mining & Finance Corporation (AEMFC) actively participate in the mining industry and maximise the national benefit from mineral development. Motivation for government to strengthen the operational capacity of AEMFC should be to develop a new policy on explicit investment which will allow government to channel a major part of the mineral revenue towards development programmes and infrastructure development.

The emphasis on the need for a concrete shift is based on the need for our mineral resources to help the country in respect of social infrastructure, especially in rural areas, stimulating education (free and compulsory education from grade R to a first degree), health care, housing, the rural electrification programme and sanitation. The CEO of AEMFC, Sizwe Madondo, said in Mining Weekly.com that South Africa's new State-owned mining company was pursuing coal and uranium opportunities. Madondo said that drilling results in the Mpumalanga coalfield were expected before the end of December 2009 and steps were simultaneously being taken to secure State-held uranium rights in the Northern Cape. He said the pursuit of coal stemmed from the State-owned Central Energy Fund (CEF) – of which AEMFC was part – inheriting coal mineral rights from the previous government. The pursuit of uranium was a consequence of the South African government declaring uranium a national strategic resource.

There is also a need to engage deeply on the model of nationalisation to be followed by our government, as a proclamation by Parliament to nationalise mines in South Africa will not resolve the developmental objectives required from the industry. Just by way of illustration, if we were as a country to develop our capacity

**'The question is:
are the two different and
opposed to each other?'**

for the auto-mobile industry platinum as a mineral would be central and therefore should be nationalised.

If we were to reflect on the South African electricity generation programme, it currently heavily relies on coal. Because of our developmental objectives in the electricity programme, coal should be nationalised. With dangers associated with uranium mining, used to develop nuclear capacity, then uranium should be nationalised. In the three minerals that I have used as an example, the form of nationalisation should be public- private- partnerships (PPPs) and that the state should take 51% and private investors 49%.

Brief lessons from Botswana mining industry

After independence, the government of Botswana entered into a joint partnership with De Beers. They jointly established De Beers Botswana Mining Company (Debswana Diamond Company PTY Ltd) and the government owns 50%. This company is currently operating the following mines:

a. Jwaneng Mine: a mine which came into operation in 1982 and reportedly produced one of its kind in using modernised equipment such as a completely automated recovery plant (CARP) and fully integrated sort house (FISH)

b. Orapa: this operation is the oldest run by Debswana Diamond Company. The mine began producing in 1971 and continues to contribute significantly to Debswana's total carat output with 17.3 million carats recovered in 2006. The mine is the largest open cast operation in the world.

c. Letlhakane mine: the mine opened in 1975. In 2006 it contributed 1089 million carats to the total output of Debswana operations.

Damtshaa mine: the youngest operation run by Debswana and started operating in 2003. In 2006 the mine contributed 228 000 carats to the total output of Debswana

Debswana Diamond Company is the largest player in the diamond mining industry of Botswana and it accounted for 40.5% contribution to the GDP in 2005/6. In 2006, the company produced 34.3 million carats. In 2005, the company produced 31.9 million carats with total revenue of Pula 15.8 Billion, an increase of Pula 11.729 Billion revenue from 2004.

Based on these lessons, the state mining company as an implementation tool of nationalisation is possible and achiev-

able and also on the basis that government already has AEMFC as an operational company there is no need for any proclamation on nationalisation of the mines.

What should be done?

a. An Alliance Economic summit to convened in the first quarter of 2010 to engage and interrogate different models of government involvement in the Mining Sector and then adopt a South African model

b. Government must amend the Mineral and Petroleum Resources Development Act to incorporate the following on licensing:

- Platinum, Coal and Uranium Mining: the state to own 51% of any new operation from 2011 and public private partnership for renewal of licenses from 2012

- Explicit Investment Policy giving government powers to channel the development programme within the mining sec-

tor. The emphasis on the need for a concrete shift is based on the need for our mineral resources to help the country on social infrastructure (focusing in rural areas), stimulating education (free and compulsory education from grade R to a first degree), health care, housing, rural electrification programme and sanitation.

- Beneficiation across the Industry to be driven by the state mining company and Private Investors only allowed 40%

- 15% of the total turnover of the Mining Industry to be annually distributed on an Employee Share Ownership Scheme for all Mineworkers

- Minimum salary remuneration to be R6000 for underground employees and R5000 for surface employees across the Industry from 2012

- Tripartite Ownership on mines that are in the Traditional Authority areas (Traditional Authority, Private Investors and State) with the State being majority shareholder

- Within the ownership forms, allow the following: PPPs, State Ownership, Private Ownership and Co-operative Ownership with compulsory adherence to the above

c. Parliament with Department of Minerals and Regulations leading, should develop legislation that will create a Mining Development and Investment Bank similar to DBSA to be the responsible agency for the Mining Development sector

d. Department of Minerals and Regulation should incorporate Alexkor to AEMFC and that this company be under the responsibility of DMR together with the suggested Mining Development and Investment Bank.

The above views are not conclusive but to argue for nationalisation of mines and for a state mining company is not mutually exclusive. Nationalisation would need a vehicle for implementation once adopted as a broad government policy but debating nationalisation in this current juncture will not take our revolution anywhere. We must work on using the existing mechanisms to take our mining development to a new epoch. We have a Mining Charter, MPRDA, Alexkor and African Exploration Mining and Finance Corporation and should make them reflect the "nationalisation" that we are arguing about.

'We must work on using existing mechanisms to take mining development into a new epoch'

Cde Sambatha is SACP North West Provincial Secretary and NUM Parliamentary Head

IDEOLOGICAL STRUGGLE

SACP remains a revolutionary beacon for the working class and the poor

We must arm the working class – and young people in particular – with the only real weapon of the working class, Marxism-Leninism, writes Sikhumbuzo Mdlalose

This exposition cannot be understood by those who have not correctly delved into comprehending the SACP's outstanding role in the South African liberation struggle. The same can be said of the role of other communist parties in the liberation struggles in Asia and South America. Being a Marxist-Leninist party, the SACP prides itself on amassing advanced tools of theoretical analysis and tactics of revolutionary practice. Since its formation in 1921, the SACP has always provided leadership in these areas.

The most important thing that has to preoccupy our minds as revolutionaries, especially at this current moment, is to cease telling lies about the causes of the deterioration in the revolutionary morale and the lack of theoretical cultivation that has engulfed our movement – especially among young people in the national liberation movement as led by the African National Congress. The telling of these lies has manifested in trends that are latent yet very influential in circles of the national liberation movement. The ANC-lead Alliance currently remains the hope of the poor and the downtrodden masses of our country, given the results of the recent 2009 general election.

People are products of either of the two contending social classes, namely; the proletariat and the bourgeoisie in a capitalist society. These social classes have an impact on how people relate to the means of subsistence and production as well as their mode of thinking. The ideological nurturing of young people is determined by their class being. Without

working class consciousness, which can only be sustained through the incarnation of revolutionary practice and consistent theoretical incubation, more lies will be triggered to the downtrodden masses by those mandated to lead young people if they are detached from this incarnation. Among other things, the system of education and mainstream media constitute fundamental instruments which reinforce the class rule of the bourgeoisie under a capitalist society.

If our revolutionary psychiatry and revolutionary practice is not timely enhanced, empty slogans of hope and revolutionary sounding catchphrases will camouflage the real politico-economic

challenges facing young people and our revolution more generally. Young and old men and women in our movement should be called upon to identify capitalism and its enabling forces as the principal enemy of the working class and the poor of our country and the world. Marxism-Leninism appears to be the only weapon of the working class, whose liberation can only be attained through the socialist-orientation of their struggles.

To this effect one should borrow from Lenin: "We must overcome resistance from the capitalists in all its forms, not only in the military and the political spheres, but also ideological resistance, which is the most deep-seated and the strongest. It is the duty of our educational workers to accomplish the re-education of the masses. The interest, the thirst for education and knowledge of communism which are to be seen among them are a guarantee of our victory in this field too, although, perhaps, not as rapid as at the front and only after great difficulties and at times even reverses. However, we shall ultimately win." (Lenin VI, 1920 on Political Education)

Lenin raised this fundamental point just less than a year before the formation of the South African Communist Party and just after eight years after the establishment of the African National Congress. Although the African National Congress was formed in 1912 as a uniting force of liberation across African tribal lines, the Natal Indian Congress, the African People's Organisation and other African formations were already trying to organise the downtrodden masses

Young and old must identify capitalism as the principal enemy of the working class in SA

against colonial oppression.

With regards to the latter organisations, it appeared that their lack of ideological instruments and limited revolutionary experience would stand as telling weaknesses which led to their failure to sufficiently galvanise the liberation struggle. These organisations were unable to embrace the class content of racial oppression and colonialism and as a result they were limited in their theoretical and practical engagement with the reality they faced.

The same can be said of the ANC in its earlier days. The ANC was dominantly composed of graduates from US and British universities and colleges, priests and traditional leaders who were mainly preoccupied with passive and submissive modes of struggle. They would travel to the then queen of England with petitions appealing for their inclusion in the then 1910 Union of South Africa. Notwithstanding the zeal and revolutionary potential of the founding fathers of the ANC, it must be said that the revolutionary psychiatry of the then leadership core was not well equipped to tackle the challenges of colonialism and inherent capitalist development that represented the principal motive force of national oppression and class exploitation.

It was not until 1919 after it sought cooperation with the International Socialist League (ISL) and the Industrial and Commercial Workers Union (ICU) that the ANC was able to gradually gain its momentum as a fighting organisation, working together with the workers and the downtrodden masses. It was in the same year (1919) that the ANC joined and supported the workers strikes in the mines and industrial areas as led by the ICU in which communists were prominent under the banner of the ISL. Anti-pass law campaigns were also part of mobilising the masses within the ANC as it developed its mass character. In the 8th Annual Congress of the ANC, President Se-fako Makgatho had this to say about the strikes:

“There have been serious strikes and labour troubles among Europeans in South Africa. In every instance, where well paid White men, getting as much as a pound a day or more, struck for higher pay, they got it; but our first strike for sixpence a day over two shillings and two-and-sixpence was met on the part of the government by violence, arrests, heavy fines and imprisonment. The White man, on the other hand, can strike at any time

because he has no pass, but a Native worker going on strike commits a breach of contract – his service pass.”

Thanks to the formation of the SACP in 1921 the South African liberation struggle became radical and escalated into a mass-driven momentum. This was preceded by the renowned 1917 October Revolution in Russia which ushered the internationalist character of national liberation in the context of the construction of the communist world order. It was after the establishment of the Young Communist League that the question of non-racialism found its place in the dominantly-white South African Communist Party and later in the African National Congress which was completely dominated by Africans. There emerged the first generation of African communists such as Albert Nzula, Johannes Nkosi,

Moses Kotane, J. Marks, Edwin Mofutsanyana, Gana Makabeni and many others who were also influential leaders in the African National Congress.

The election of comrade Josiah Gumede as President of the ANC in 1927 presented a new and conducive environment in terms of ideological enhancement in the liberation movement. Gumede had this to say on the role of communists in the national democratic revolution:

“I am happy to say that there are communists in South Africa. I myself am not one, but it is my experience that the Communist Party is the only Party that stands behind us and from which we can expect something.”

Gumede continued in his Presidential Annual Report of the ANC in 1927: “Of all political parties the Communist Party is the only one that honestly and sincerely fights for the oppressed people.”

This was even before ANC President JT Gumede and an ardent communist and ANC leader, Cde Alex La Guma, went to Germany where they attended and addressed rallies organised by the German Communist Party. It was at this time again that the ANC heightened its class perspective on the National Democratic Revolution. Having returned from Germany, they proceeded to Russia where they (among other things) attended the celebration of the 1917 October Revolution. On his return from Russia President Gumede had this to say on the development of socialism in Russia: “I have seen the world to come, where it has already begun. I have been to the new Jerusalem”

However, the demon of ideological delinquency in the ANC resurfaced in early 1930's when the anti-communist and autocratic camp under the leadership of Pixely KaIsaka Seme assumed leadership after ousting President Gumede in 1930. Seme emerged as the president of the ANC working closely with the De Beers family (the mining conglomerate) to eliminate communists within the ANC and the broader liberation movement:

“Seme's leadership was conservative, lack-lustre and autocratic. He had grand designs of making the African National Congress an engine of economic self-help. He also tried to revive the now defunct House of Chiefs with which the Congress had been burdened at its inception. In 1937 he was replaced as leader by ZR Mahabane in spite of his packing annual conferences with his own delegates. Seme retired into the political wilderness and

The demon of ideological delinquency emerged in the ANC in the 1930s

spent the rest of his life concentrating on his lucrative legal practice. In June, 1951, he died in Johannesburg.”

Seme’s funeral was renowned as the burial of the conservative and anti-communist leadership in the ANC.

Lenin said on national liberation and the self-determination of the oppressed nations in the context of the economic foundation of liberation movements: “Throughout the world, the period of the final victory of capitalism over feudalism has been linked with national movements. For the complete victory of commodity production, the bourgeoisie must capture the home market, and there must be politically united territories whose population speak a single language... Therein is the economic foundation of national movements.

“Therefore, the tendency of every national movement is towards the formation of the national state, under which these requirements of modern capitalism are best satisfied...for the entire civilized world, the national state is typical and normal for the capitalist period.”

In analysing the role of the ANC as a liberation movement that emerged under conditions where capitalism was already ripe in South Africa, we are to pay more attention on the fact that these conditions (developed SA capitalism as it gained its preliminary momentum in 1870) brought difficult ideological challenges to the ANC itself as it was established only in 1912. That is after more than 42 years since the development of capitalism in South Africa. The burden of traditional and religious leadership in the ANC contributed towards its ideological delinquency in the earlier stages of the liberation struggle. Traditional leadership in the ANC represented the elementary legacy of feudalism which had gradually died away given the capitalist growth that was already at play. Unfortunately, the founding fathers of the ANC were trapped in the shuttles of traditional leadership that seemed to amass strong influence from their respective tribal authorities and within the white capitalist South Africa. They were very weak in opposing the very colonial white capitalist forces which were the vital force of economic dislocation of the African people. Land dispossession and capitalist accumulation as orchestrated by European colonists undermined the South African feudal economic relations, thereby creating a concerted capitalist economy based on the plundering of South African natural

resources and African cheap labour.

Though it lacked Marxist tools of analysis, as a national movement, the ANC was formed under conditions that were very similar to what Lenin alluded to in the above quotation. The ANC was not established as a national movement which sought to smash feudalism and build a bourgeois state. It emerged as a uniting force of liberation in the context of race, later gender, partly class, anti-colonialism and anti-imperialism. Elements of narrow nationalism and pompous intellectualism haunted the ANC specifically under the leadership of Pixely Seme. Its revolutionary and ideological direction was shaped mainly by the hegemonic confluence enjoyed by the SACP especially in the late 1920’s and beyond. With the exception of Pixely

KaIsaka Seme, Dr Xuma and Thabo Mbeki (albeit the fact that Mbeki is a former central committee member of the SACP), most of the influential former presidents of the ANC did not only embrace but were very vigilantly accommodative of the important role that the SACP had always played in shaping the ideological direction of the ANC.

From the formation of the ANCYL in 1944 to the Congress of the People in 1955, communists were always at the forefront of galvanising the revolutionary content within the liberation movement. Given the fact that the SACP had already embodied its astute credentials in theoretical and revolutionary advancement within the liberation movement, so did it become the number one enemy of the apartheid regime and was therefore banned by Malan’s administration in 1950. Following its underground re-establishment in 1953, the SACP, under the outstanding leadership of comrade Mosses Kotane, J B Marks and others resumed its key responsibility as a core of strategic maneuver within the liberation struggle.

Again, this propelled the regime to ban the ANC and other forces of liberation in 1960. Some among the leaders of the ANC who were non-communists had to be persecuted and prosecuted by the regime on the belief that they were communists. The 1969 Strategy and Tactics document of the ANC (as preceded by the 1962 programme of the SACP) was imbued with overt connotations of the socialist orientation of the NDR. “Seizure of power by the people means and presupposes the all-round defeat of the fascist regime by the revolutionary forces of our country. It means the dismantling by the popular power of all the political, economic, cultural and other formations of racist rule and also necessitates the smashing of the state machinery of fascism and racism and the construction of a new one committed to the defense and advancement of the people’s cause.” In its Augmented Central Committee meeting in 1970 the SACP reviewed the 9 years of the armed struggle and as a result deduced that: “Armed struggle without mass mobilisation and organisation will lead [to] nowhere”

Already, the Cubans under the stewardship of the Soviet Union supported the liberation struggles in most of the Southern African countries through military and ideological training as well as political mobilisation. Internally, indeed

Communists were at the forefront of galvanising revolutionary content in the liberation movement

there were elements who collaborated with the forces of the apartheid-capitalist regime based on the fact that the African national liberation struggle appeared to be a contested site of the Cold War between the and that USSR.

The USA and her allies inherently did not support the socialist orientation of the African liberation struggles but supported the neo-liberal orientation of such struggles. At the height of racial oppression and class exploitation, the liberation movement had to deduce that without advance towards socialism, a non-racial, non-sexist and democratic society would only remain a mere pipedream. When looking at the main external allies of our struggle in the late 1970's, the Politico-Military and Strategy Commission of the ANC referred to them as: "the Socialist world, those newly independent states, who have already won the first stage of their struggle against colonialism especially those consolidating their political independence by the demolition of the vestiges of colonialism and total economic reconstruction of their societies, those states in the western world which have given consistent political and material support for our liberation movement, the people still engaged in the struggle against colonial rule, and the working class and other democratic forces in the imperialist countries." (The Green Book, ANC, August 1979).

Among other things, the Green Book clearly presented a concrete analysis of the situation and appeared to be a well researched theoretical weapon towards dislodging the enemy. It clearly outlined the underlying character of the South African politico-economic situation: "The principal enemy of our revolution is the South African ruling class, which is distinguished by a combination of several key characteristics. Like its counterparts in other capitalist countries, its power is rooted, in the first instance, in its ownership and control of the basic means of production. But in South Africa, the system of economic exploitation is reinforced and deepened by the national oppression of the black majority. Thus, capitalist exploitation and racial oppression operate together and reinforce one another. This combination of class exploitation and colour oppression imposes a double burden on the black majority, who are exploited as working people and also as members of the nationally oppressed groups."

The relationship between the Green

Book analysis and our current economic conjecture bears testimony to the fact that without demolishing capitalism, our cause towards building a non-racial society shall remain utopian.

Arguably, the neo-liberal economic compromises which were clandestinely fine-tuned by some of the leading cadres in the ANC in the mid 1980's were a founding representation of what has been dubbed as the 1996 Class Project by the SACP. These compromises took centre stage in shaping the ideological direction of the ANC since the early 1990's. Without undermining the political advances of this period as it brought about change in the political landscape (the 1994 breakthrough) of our country, the paramount truth of ideological delinquency – if not ideological capitulation – that engulfed

some of the leading cadres in the movement is inescapable. The demobilisation of the masses within the ANC and formation of business alliances between some of the senior leaders of the ANC was one practical reflection of this elementary capitulation. The formation of our democratic nation state in 1994 came at a time when world capitalism was at its peak. Neo-liberal economic policies were the order of the day. As a result, the Reconstruction and Development Program (RDP) was reduced to a pink cherry on top of what was the real cake – the Growth, Employment and Redistribution Policy (Gear) adopted by government in 1996. The International Monetary Fund and the World Bank had already re-admitted South Africa in 1990 after more than thirty years of exclusion. This readmission was nothing except being an enabling motive behind the economic subordination of our Government of National Unity to economic surveillance by the IMF and the World Bank. The imposition of Gear in 1996 against the RDP had to qualify what the SACP had dubbed as the 1996 class project because Gear represented the views of the neo-liberal economic agenda as it relates to the requirements of the IMF and the World Bank.

The fact that Gear was not an alliance economic programme and was not discussed even within the constitutional structures of the ANC, bears testimony to the reality that some elements within the leadership of the ANC had already begun to be absorbed by the IMF's neo-liberal economic agenda. In his recent book, Cde Ben Turok writes "Even after 1994, the relationship between the ANC and the government with IMF and the World Bank have largely been conducted behind closed doors. They have never been reported to the ANC's national conference, and agreements have not been reported to parliament as required by the constitution. . . Mbeki admitted to Gevisser that five months before coming to power, the ANC had "signed a letter of intent to the IMF committing itself as the future government to a programme of fiscal austerity in return for a loan of \$850 million". He also said that he and the government had been forced to acquiesce to the Washington Consensus on micro-economic policy when they implemented their Gear policy.

Cde Mdlalose is a of the YCLSA PWC in KZN

The clandestine neo-liberal economic compromises of the 1980s were the foundations of the 1996 Class Project

NARROW NATIONALISM

A sickening new Africanist tendency in our movement

The NDR's objective is not to place individuals in positions of power, but to transfer political and economic power to the masses, argues Khaye Nkwanyana

There is an emerging and very dangerous tendency in certain components of our movement which is more pronounced lately as an obsessive psychosis, and has all the elements of dressing itself up as revolutionary so that all of us can excitedly ride on it, but in actual fact (far from what it appears to be) when closely interrogated, it is a sectoral bargain that has less to do with our revolutionary trajectory than with narrow sectional interests.

This emerging tendency is all about the obsession with protecting all those that are black, Africans in particular in higher positions of power on the basis of just their skin pigmentation and nothing else. Whether those black Africans, wherever they are appointed/deployed, are failing or are committing serious errors compromising those institutions is immaterial for this tendency. They get defended on the basis that they are victims of a racial set-up. But more often in this Africanist obsession there is very little elaboration of such a racial-set up, and in the main, it ends up being a pompous headline. The now popular but mechanical expression that "in him we see African leadership" has always been left unexamined to conceal the real issues at hand. And we are all guilty of not coming up to the challenge.

It is true that in South Africa race relations are still very much a part of our pastime. And indeed the solution is to confront it as and when it rears its ugly head.

The reality of racism in this country does not give license to people to pursue it in a scattered fashion with no qualification or contextualisation or relevance against everyone who has a different view from you who happens belongs to another race. Nor should it be used to promote incompetence in our public institutions such as state utilities by our fellow black cadres. The Jacob Maroga issue is a case in point. No argument has been advanced in terms of his performance as a basis for his defence against the Eskom Board's position.

South Africans are called upon to brace ourselves for 35% electricity hikes for the next three years. This is despite government's financial injections into the utility. The heavy-rain attack directed at Bobby Godsell as racist, isolating him from the Board (which in majority is black) with no detailed act pointing to racism was infantile at best. In a bourgeois society like ours, when a company fails, a CEO gets fired or is asked to resign.

Similarly, the defence of Professor Jonathan Jansen in his appeasement of the Reitz 4 racists which was, more than anything else, for his personal acceptability to the white community of that province and the university constituency, at the altar of compromising justice is another bad example. Here is a classical conundrum. Poor working class women were subjected to the most sordid racial acts ever seen in the post apartheid period. Jansen elected to ignore these acts and in-

vite the students back to the campus and withdraw the university charges against them. The workers are reduced to cash, being offered money as reparation for their emotional and racial abuse. At the height of emotion about this, including the involvement of Cabinet and calls for Jansen's dismissal, the expression goes "he is part of us and in him we see black leadership, we will defend him".

I wonder how many blacks in South Africa can agree that Jansen is a reflective triangle lens through which we all see ourselves.

The example of Leonard Chuene and Caster Sememya must also be considered. It is an open truth now that the mishandling started at home and Chuene was mismanaging the situation and being economic with the facts. Chuene was defended not on the basis of merit but just because he is an African sport administrator!

The CEO of Armscor, Mr Thomo, is unfortunate not to get such sympathy and defence because the Board Chairperson is not Bobby Godsell but is Cde Popo Molefe – despite being more abrasive than the Eskom Chairperson in dealing with his CEO. The adage that "In him (Thomo) we see ourselves, he is a black executive" did not come forth.

The critical point here is about the dangers that this Africanist obsession is going to bring. Positions of power are seen as an end product of the revolutionary tasks of the NDR as opposed to seeing positions of power in the state as the locomotive engine in ushering in the real transfer of power (economic and political power) to black people in general and Africans in particular. This emerging tendency is by no means different from the politics of PAC that concerns itself, exclusively, with Africans as a living species. This is an extreme form of political degeneration. It is undialectical and gravitating towards African chauvinism. The current debate started with the occupancy of minority groupings of the economic cluster in Cde Zuma's Cabinet as though this is the strategic objective of the revolution, and it is now spreading its tentacles as a preoccupation of the blind defence of Africans.

Are we that under such siege as black Africans in South Africa that we need to cordon ourselves in a laager of African defence with big walls surrounding us?

.....
Cde Nkwanyana is Deputy National Secretary of the YCL

IN MEMORIAM

A tribute to Eleanor Kasrils

Jeremy Cronin recalls the active life of struggle of one of the earliest recruits into the people's army, MK

Cde Eleanor Kasrils, a long serving SACP and ANC member, died in Cape Town on 8 November. Born in Durban in 1936, Cde Eleanor joined the Congress of Democrats in 1960. In the early 1960s, guided by trade union veteran Cde Billy Nair, she organised shop workers for Sactu (South African Congress of Trade Unions), and mobilised solidarity support for striking African nurses at King George Hospital.

It was also in this period that Eleanor became one of the first volunteers in the newly launched people's army, MK. In fact, the MK network of which she was an integral part proved to be one of our most successful sabotage networks ever. It included Bruno Mtolo, Billy Nair and Eleanor's future husband, Ronnie Kasrils.

A major reason for their success was that they managed to steal a large stash of dynamite from a road construction company's munition store near Pinetown. MK operatives had detected the dynamite store and kept it under discrete surveillance for some weeks. They noted that the poorly paid and unmotivated black night-watchman often slipped away in the course of the night, presumably to have a drink with friends. However, the store was still heavily secured. How were they to break in? In particular, how were they going to smash through the massive padlock without drawing attention to themselves?

Eleanor and Ronnie held a "picnic" nearby to have a closer look. While Ronnie distracted the personnel on site, Eleanor moved in to note some finer details.

Days later, in the dead of night, a group including Ronnie and Bruno Mtolo crept up to the store. They checked things out and, indeed, the night-watchman was off on his regular carousing. Ronnie had been given a padlock key by Eleanor. "Try this", she had told him. He took the key along, but really didn't have the remotest hope that it would work. The unit was lugging along a massive wire-cutter to



Cde Eleanor Kasrils

break the padlock – not realising, perhaps, the danger of potential sparks in the proximity of dynamite. However, much to Ronnie's delighted surprise, Eleanor's key quietly slipped into the padlock and clicked it open smoothly, first time.

In the preceding days, while the male comrades had been debating all kinds of heavy-duty, macho solutions to smashing open the lock, Eleanor had used the occasion of the "picnic" to check out the make and serial number of the padlock. She had simply tracked down a duplicate in a local hardware store. Malibongwe!

The Durban MK structures were now able to embark on a major series of sabotage actions directed against apartheid infrastructure. In fact, so large was their stolen booty they were also supplying dynamite to Johannesburg and other regions.

At first, Eleanor was deployed on MK

missions as the get-away driver. However, as with the padlock episode, she increasingly demonstrated her resourcefulness. She became one of the most dependable operators, setting finicky timing devices with cool hands in nerve-racking circumstances. In one particularly daring raid, she and Ronnie succeeded in planting a bomb inside a Security Branch office.

Finally, in 1963, Eleanor was detained by the Security Branch. She was the second white woman ever to be arrested in SA for MK activities. After a harrowing ordeal under interrogation, in which she refused to divulge the whereabouts of her comrades, Eleanor feigned a nervous breakdown. The SB didn't believe her, but thought they would teach her a lesson. "You think you clever, hey? We're going to put you in a place much worse than here," they threatened. "You'll soon be begging to come back." She was transferred to Fort Napier, a secure mental asylum. She was held in a padded cell, along with some seriously deranged patients. Undeterred, Eleanor managed to befriend inmates and also black nursing staff.

With their help, she sent out an urgent letter to her MK comrades. She warned that their leader, Bruno Mtolo, had been arrested. Presumably under torture, he was now spilling the beans on all of them. On the outside, the comrades couldn't initially bring themselves to believe this information. After all, Mtolo was a seasoned comrade and leader. Besides, where was this information coming from? Wasn't Eleanor being held in a mental asylum? Clearly she was deranged. Sadly, Mtolo had, indeed, been turned. He was later to become the state's star witness in numerous political trials.

Days before Eleanor was to be transferred back into police custody, she managed to escape from Fort Napier with the assistance of a black nursing sister. Shortly thereafter, having reunited with Ronnie in the underground, the couple slipped out of the country and proceeded

into exile. Eleanor was initially based in the ANC offices in Dar es Salaam, where she worked with Cde Moses Kotane. Later, Eleanor and Ronnie were deployed to London where their sons Andrew and Christopher were born. With Ronnie working full-time for the movement, and then deployed to Africa, Eleanor became the family's breadwinner.

She continued to be publicly active for the ANC in London, but also secretly recruited and trained cadres for deployment back into the underground. Her speciality was teaching disguise and covert communication. In these capacities she was involved, among other things, with Operation Vula. A Conservative Party MP in the UK, who worked closely with the apartheid regime, once denounced Eleanor for "orchestrating terrorist activities in SA" from her flat in London. The allegation was widely reported in the media, but the reactionary

MP didn't dare repeat his claim outside of Parliament.

After 1990 Eleanor returned to SA and for the first time in 15 years was able to enjoy a normal married life. She worked for cde OR Tambo in Johannesburg until his death. Eleanor is survived by her three children, Brigid, Andrew and Christopher, and by her husband former Minister of Intelligence and SACP CC member, cde Ronnie Kasrils.

In celebrating the life of cde Eleanor Kasrils there are many things to be cherished. Our movement's commitments to gender equality and non-racialism are not born simply out of abstract principles and fine-sounding words. They are commitments forged over decades of common struggle by men and women from diverse backgrounds. It is easy (but important) to recognise cde Eleanor's bravery in the period of MK high drama in the early 1960s. But it is equally important to

recognise the daily heroism of cde Eleanor, and tens of thousands of others, through the long haul of a dispersed and potentially demoralising exile.

Almost uniquely in the history of liberation movements of the 20th century, the ANC survived nearly three decades of diaspora, returning to SA more popular and more unified than ever. This achievement had everything to do with the perseverance and un-dramatic, everyday heroism of countless, often unnamed, comrades who, like cde Eleanor, coped with the responsibilities of families and of dealing with the mundane challenges of exile – while never losing hope and never abandoning the background work that is so much part of any revolution.

Hamba kahle, MK! Hamba kahle, Cde Eleanor Kasrils!

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Cde Cronin is SACP Deputy General Secretary

IN MEMORIAM

Curtis Nkondo: Life-long teacher, revolutionary, Marxist

Cde Curtis Nkondo, a lifelong revolutionary, a committed Marxist-Leninist and one of the founders of South Africa's democratic education system, passed away quietly on Thursday, 4 December, after a long illness at the age of 81.

Cde Nkondo's had been in poor health since before his retirement in 2004 – mainly as a consequence of brutal torture at the hands of apartheid police in the 1970s and 80s. Although his body was failing, his mind remained as sharp as it had been in his youth, and only weeks before his passing he continued to write extensively on the challenges and obstacles facing South Africa.

Born near Pretoria in 1928, cde Nkondo developed an early passion for education – a passion which remained with him throughout his life. After two decades as a high school teacher, cde Nkondo was headmaster of Lamula High in Meadowlands, Soweto, when student opposition to apartheid oppression erupted on June 16, 1976, into mass resistance which rapidly spread throughout the country. He chaired the Soweto Teachers' Action Committee established to support protesting students until his detention by apartheid police in November 1977 and his subsequent banning from entering

any school premises.

On his release following nearly a year in detention – much of it in solitary confinement – he was elected president of the Azanian People's Organisation, but suspended three months later by elements opposed to his explicitly pro-ANC views. He nevertheless assisted in the establishment of the Azanian Students' Organisation – in which both his sons were active members – and contributed to its pro-ANC stance.

With resistance of apartheid growing steadily, he was detained in 1980 and subject to vicious torture before his release and banning by apartheid authorities. Despite this, he chaired the Release Mandela Campaign from 1980, and was elected president of the newly-formed National Education Union of South Africa (Neusa) – a decade later, he was instrumental in merging Neusa with other teachers' unions to form the South Africa Democratic Teachers' Union (Sadtu), of which he was elected vice-president and a lifetime honorary member.

With the lifting of the ban on the ANC and SACP in 1990, he served on the ANC's Education Desk until elected to the Gauteng Provincial Legislature in the country's first democratic election in 1994.

His active commitment to ending

apartheid and to decent, equal education was recognised by the Gauteng Department of Education in 1999 and by the Soweto Education Summit a year later, both of which conferred awards on him.

From 2000 to 2004 he served as South African High Commissioner (ambassador) to Namibia.

Although he formally retired in 2004, he remained politically active (serving, among other things, as a member of the provincial disciplinary committee of the ANC) and was active in NGOs and parastatal organisations, with a strong focus on his great passion – education, and particularly English tuition – and against the abuse of women and children.

In the past two years the damage wrought by apartheid torture caught up with him and he was hospitalised repeatedly. He remained an energetic commentator on South African political life and a committed Marxist-Leninist until his death.

"He lived his life as a committed and disciplined democratic activist and serves as a role model to all who are committed to liberty and justice," the SACP said in a statement.

He is survived by his wife, Rose and his three sons, Reavell (Ricky), Ruskin and Ephraim.

THE INTERNATIONAL

12th Congress of the Brazilian Communist Party

By Fikile Majola and Che Matthako

The SACP attended the 12th Congress of PCdoB (Communist Party of Brazil) in November in Sao Paulo, Brazil. The period between the 11th Congress in 2005 and 12th Congress), has been characterised by the intensification of PCdoB's internationalist and anti-imperialist activity. Brazil will also be going to the polls next year and will be judged on its current transformation project. But President Luiz Inácio 'Lula' da Silva, whose personal stature and popularity has been at the heart of the broad popular programme of progressive left forces will not be able to stand for election again.

The PCdoB's 12th Congress also occurred at a significant period in the transformation project underway in Brazil, and especially the emergence of the country as an important economic and political power bloc in the context of the current world economic crisis. Brazil is also very crucial for purposes of understanding the ruptures and political-realignment shifting 'left-wards' in Latin America.

We were struck by the similarity of theoretical perspectives between the PCdoB and the SACP on various issues. They focused on 'a renovated party, a sovereign and democratic Brazil, a socialist future', similar to our slogan, 'Socialism is the future! Build it now!'

Brazil, through Lula and other PT-led alliance 'popular mass-based progressive left forces' have since the processes of democratisation, which commenced in the late 1980s, been able to notch-up decisive achievements since the process started with the presidential victory of Lula.

In October 2002, Luiz Inácio Lula da Silva made history when he became Latin America's first democratically elected socialist leader since Salvador Allende. Lula and his Workers Party won comfortably with nearly 62 percent of Brazil's popular

vote. As Tom Hayden said: "Lula's victory, and the social movements that helped make it possible, are among the most stirring developments in Latin America since the election of Salvador Allende."

The democratisation of Brazil

The processes of democratisation of Brazil post military rule was a key and decisive process, which was in many ways different to those occurring in other parts of the world, and indeed in South America itself. These differences, amongst others, between the PT and all other Brazilian parties during the transition is its ongoing relation with an increasingly well organised and combative sector of the labour movement; its appeal to new popular movements such as women's groups and environmental groups; and its unique internal structure, which is more elaborate and democratic than that of all the other parties and, includes the formation of left-leaning pro-

gressive forces, such as PCdoB. This approach was key to Lula's presidential victories..

The process of democratisation now occurring in many Latin American countries, including Brazil, Argentina, Uruguay, Peru, Ecuador, and the Dominican Republic actually consists of two transitions.

The first is the removal of the previous authoritarian regime and the installation of a democratic government. The second, at least as challenging and lengthy as the first, is the consolidation of democracy: the foundation of a continuing and stable democratic regime. Unless such a regime becomes an accepted fact of a country's political, economic, social, and cultural life, the country is in danger of backsliding into authoritarianism, either through the 'quick death' of a conventional military coup or through the 'slow death' of a gradual erosion of democratic practice.

Among these nascent Latin American democracies, Brazil is in many ways an atypical case. The transition away from authoritarianism was unusually protracted and was, at least until the late stages, carefully managed by the military government. Moreover, that government had enjoyed relative economic success and, compared to other Latin American dictatorships, was only moderately repressive. Thus the new democratic government in Brazil has inherited less economic chaos and social strife, and has a less alienated military, than some of its neighbor countries.

The course of events in contemporary Brazil, it was argued, is the expression of structural contradictions occurring in a specific historical period. The current capitalist historical period is characterised by a broad imperialist offensive under the direction of multinational financial capital.

Brazil, has over the years, and like South Africa immediately after 1994, integrated into this system. As a conse-

Brazil's transition from dictatorship was protracted and – initially – carefully managed by the generals

quence of this, current transformation that occurs in the system sharpens and deepens the contradictions at various levels in the country.

The PCdoB asserted that, as 'a consequence, the central challenge is in deciding how to act to take advantage of the convergence of conditions that will allow the success of the alternative path, rather than that of the dominant neo-liberal capitalist rulers'. In the face of unfavourable relationship of forces, it is crucial, leaders of the PCdoB argue, to make immense efforts to accumulate strategic forces on the side of the left-Brazilian revolution.

Lula addresses Congress

The 12th Congress of PCdoB was also addressed by President Lula, who was accompanied by Cde Dilma Rousseff – punted by Lula as his successor for the PT-led progressive popular left forces in the polls of 2010. Cde Lula's presence at the 12th Congress was underscored by longstanding relations – both at personal and organisational levels – with the PCdoB and its re-elected president cde Renato Rabelo.

South Africa and Brazil have lots in common but there are also huge differences, which are aspects of the unique processes of development in these countries. But, both countries are also seeking to develop alternative paths of development which place at the core of their socio-economic political project, the previously marginalised and disadvantaged, and indigenous peoples and others who were in the periphery during the period of military dictatorship and apartheid while also, simultaneously seeking to play important roles in their respective regional spheres, the South and the globe.

There are clear indications for both our organisations to enhance the work underway, but also develop mechanisms of implementation which will ensure that we are better placed to take advantage of the progressive developments occurring both at national and international levels to advance the struggles of the workers and poor, indigenous people, rural and landless masses. South Africa and Brazil both have significant responsibilities in their regions and beyond and would have to engage more to ensure more effective outcomes of cooperation.

Cdes Majola and Matlhako are SACP PB members

INTERNATIONAL CORRESPONDENCE

The International Correspondence and International Annual Seminars

By Patrick Theuret and Che Matlhako

At the 12th Congress of the SACP held in 2007, one of the most forward-looking resolutions was on the International. The Party underscores its understanding and elaboration of Marxism-Leninism in upholding Internationalism as a key component of its Marxism.

A delegate said: "The emphasis our movement places on the necessity for internationalism does not arise from subjective considerations. Rather, it is a reflection of the most profound objective tendencies in the world capitalist economy itself. Any scientific examination of this crisis – this capitalist breakdown – establishes that there is no national solution to the myriad of problems now confronting the working class and the masses as a whole – whether in the US, Australia, Britain, or in China, India and elsewhere."

The Party has for many years placed a premium on its Internationalism and fraternal relations with like-minded organisations across the world. These efforts have continued in the period since the 1994 democratic breakthrough.

The Party has maintained that the most effective elaboration of these fraternal relations is through the organisational expressions and through people-to-people relations. These buttress state-to-state relations as managed by the ANC government and also the ANC as a party

Background of International Correspondence

It was on 17 October 1998, under the name of Institute of Social and Political Studies – International Correspondence that this international platform and framework was born with the direct involvement of the SACP. The General Secretary Cde Blade Nzimande was the driving force behind the initiative, following previous French-based experiences from 1991. Since then, it has played a role of



Che Matlhako and Patrick Theuret

reflection and analysis based on a scientific approach, on commitment and non-contentious discussions. It is independent of any specific political organisation but with the perspective of a worldwide regrouping of Marxist, anti-imperialist people from different countries. Contributions came from about 20 countries and links with 30 others were forged in this period. It paid special attention to South African developments and SACP activities in particular.

In the course of these 10 years, the achievements can be summed up as follows:

- Publishing a review in five languages (English, French, Portuguese, Spanish and Arabic)
- Jointly organising public debates with national papers or reviews in various fêtes and international forums – mainly on the theme 'Socialism for the 21st Century'.
- Invitations to initiatives of international importance (congresses, conferences, fact-finding journeys on four continents).
- Holding general assessment meetings at least once a year.
- Launching a website

Since 2007, a new transitional phase unfolded to enable a redefinition of the project so as to stimulate it in a new way. The outcome of this thinking, resulting from numerous engagements, culminated in the Sao Paulo seminar. This followed an international seminar organised jointly with the PCdoB and PT of Brazil and their respective foundations during June 2009. The seminar, was themed 'The International crisis and left alternative'. The general secretary of SACP cde Blade Nzimande was invited but could not attend

and the International Secretary cde Che Matlhako made an intervention on behalf of the SACP.

The main feature of the next stage of International Correspondence is to move in a more decentralised way, with more concentration on international relationships and new ideas to be studied, developed and spread, working together with already existing structures.

At the heart of these activities would be an annual seminar organised by specific partners on a specific theme. On the fringes of the seminar, a specific meeting of International Correspondence would take place in order to prepare the programme of activities, including the next seminars. The main publication of International Correspondence would be in the form of an annual book covering the work of the seminars. The book would be translated into as many languages as possible.

In addition to this annual book, other forms of publications will be considered, including a new website, an internet bulletin, pamphlets and specific workshops.

It is proposed that the next International Correspondence seminar should take place in South Africa in 2010. The arrangements will be coordinated by a 10-person coordinating committee, including the SACP's Che Matlhako.

At its first meeting on 7 October in Paris, Comrade Nzimande introduced the discussion with a general presentation on new developments in South Africa. It has been confirmed that South Africa would work to host the next Seminar together with the African Left Forum, by the end of 2010.

Cde Theuret is international Coordinator of Internantional Correspondence. Cde Matlhako is an SACP PB member

DELHI DECLARATION

11th International meeting of the Communist and Workers' Parties

Eighty-nine participants representing 57 communist and workers' parties and 48 countries participated in the 11th International meeting of the

communist and workers' parties held in New Delhi from 20-22 November 2009, on the theme "The international capitalist crisis, the workers' and peoples' struggle, the alternatives and the role of the communist and working class movement", hosted by the Communist Party of India (Marxist) and the Communist Party of India.

The meeting adopted the Delhi Declaration unanimously.

The meeting decided to accept the request of the Workers' Party of Bangladesh to be a part of these international meetings in the future.

The meeting decided that the 12th international meeting would be held in the African continent, hosted by the South African Communist Party. The working group shall subsequently meet to finalise the theme, dates, venue and other details.

The meeting expressed its unflinching solidarity with the worldwide struggles of the workers and people for peace, sovereignty, democracy and social justice.

The meeting decided that concrete actions must be undertaken in all countries and coordinated globally on the following issues:

1. Against NATO and its global expansion; against renewed imperialist military aggressiveness, and against foreign military bases.
2. To observe 29 November as a day of solidarity with the Palestinians struggle, as per the decision of the extraordinary meeting held in Damascus in September 2009.
3. To observe the year 2010 as the sixty-fifth anniversary of the defeat of fascism.
4. To strengthen popular mobilisations in defence of workers rights in coordination with the trade unions.
5. Intensify international solidarity for the release of the Cuban Five.
6. To strengthen popular movements, pressing governments in respective countries, demanding the right to work in coordination with the youth organisations.

Delhi Declaration

This 11th International Meeting of the Communist and Workers' Parties, held in New Delhi, 20-22 November 2009 to discuss on "The international capitalist crisis, the workers' and peoples' struggle, the alternatives and the role of the communist and working class movement":

- reiterates that the current global recession is a systemic crisis of capitalism

demonstrating its historic limits and the need for its revolutionary overthrow. It demonstrates the sharpening of the main contradiction of capitalism between its social nature of production and individual capitalist appropriation. The political representatives of Capital try to conceal this unresolvable contradiction between capital and labour that lies at the heart of the crisis. This crisis intensifies rivalries between imperialist powers who along with the international institutions-the IMF World Bank WTO and others- are implementing their 'solutions' which essentially aim to intensify capitalist exploitation. Military and political 'solutions' are aggressively pursued globally by imperialism. The NATO is promoting a new aggressive strategy. The political systems are becoming more reactionary curtailing democratic and civil liberties, trade union rights etc. This crisis is further deepening the structural corruption under capitalism which is being institutionalised.

- reaffirms that the current crisis, probably the most acute and all encompassing since the Great Depression of 1929, has left no field untouched. Hundreds of thousands of factories are closed. Agrarian and rural economies are under distress intensifying misery and poverty of millions of cultivators and farm workers globally. Millions of people are left jobless and homeless. Unemployment is growing to unprecedented levels and is officially expected to breach the 50 million mark. Inequalities are increasing across the globe – the rich are getting richer and the poor, poorer. More than one billion people, that is one-sixth of humanity go hungry. Youth, women and immigrants are the first victims.

True to their class nature, the response of the respective capitalist governments to overcome this crisis fails to address these basic concerns. All the neo-liberal votaries and social democratic managers of capitalism, who had so far decried the State are now utilising the state for rescuing them, thus underlining a basic fact that the capitalist state has always defended and enlarged avenues for super profits. While the costs of the rescue packages and bailouts are at public expense, the benefits accrue to few. The bailout packages announced, are addressed first to rescue and then enlarge profit making avenues. Banks and financial corporates are now back in business and making profits. Growing unemployment and the depression of real wages is

the burden for the working people as against the gift of huge bailout packages for the corporations.

- realises that this crisis is no aberration based on the greed of a few or lack of effective regulatory mechanisms. Profit maximisation, the *raison d'être* of capitalism, has sharply widened economic inequalities both between countries and within countries in these decades of 'globalisation'. The natural consequence was a decline in the purchasing power of the vast majority of world population. The present crisis is thus a systemic crisis. This once again vindicates the Marxist analysis that the capitalist system is inherently crisis ridden. Capital, in its quest for profits, traverses boundaries and tramples upon anything and everything. In the process it intensifies exploitation of the working class and other strata of working people, imposing greater hardships. Capitalism in fact requires to maintain a reserve army of labour. The liberation from such capitalist barbarity can come only with the establishment of the real alternative, socialism. This requires the strengthening of anti-imperialist and anti-monopoly struggles. Our struggle for an alternative is thus a struggle against the capitalist system. Our struggle for an alternative is for a system where there is no exploitation of people by people and nation by nation. It is a struggle for another world, a just world, a socialist world.

- conscious of the fact that the dominant imperialist powers would seek their way out of the crisis by putting greater burdens on the working people, by seeking to penetrate and dominate the markets of countries with medium and lower level of capitalist development, commonly called developing countries. This they are trying to achieve firstly, through the WTO Doha round of trade talks, which reflect the unequal economic agreements at the expense of the peoples of these countries particularly with reference to agricultural standards and Non Agricultural Market Access (NAMA).

Secondly, capitalism, which in the first place is responsible for the destruction of the environment, is trying to transfer the entire burden of safeguarding the planet from climate change, which in the first place they had caused, onto the shoulders of the working class and working people. Capitalism's proposal for restructuring in the name of climate change has little relation to the protection of the environment. Corporate inspired 'Green de-

velopment' and 'green economy' are sought to be used to impose new state monopoly regulations which support profit maximisation and impose new hardships on the people. Profit maximisation under capitalism is thus not compatible with environmental protection and peoples' rights.

- notes that the only way out of this capitalist crisis for the working class and the common people is to intensify struggles against the rule of capital. It is the experience of the working class that when it mobilises its strength and resists these attempts it can be successful in protecting its rights. Industry sit-ins, factory occupations and such militant working class actions have forced the ruling classes to consider the demands of the workers. Latin America, the current theatre of popular mobilisations and working class actions, has shown how rights can be protected and won through struggle. In these times of crisis, once again the working class is seething with discontent. Many countries have witnessed and are witnessing huge working class actions, demanding amelioration. These working class actions need to be further strengthened by mobilising the vast mass of suffering people, not just for immediate alleviation but for a long-term solution to their plight.

Imperialism, buoyed by the demise of the Soviet Union and the periods of boom preceding this crisis had carried out unprecedented attacks on the rights of the working class and the people. This has been accompanied by frenzied anti-communist propaganda not only in individual countries but at global and interstate forums (EU, OSCE, Council of Europe). However much they may try, the achievements and contributions of socialism in defining the contours of modern civilisation remain inerasable. Faced with these relentless attacks, our struggles thus far had been mainly, defensive struggles,

struggles to protect the rights that we had won earlier. Today's conjuncture warrants the launch of an offensive, not just to protect our rights but win new rights. Not for winning few rights but for dismantling the entire capitalist edifice – for an onslaught on the rule of capital, for a political alternative – socialism.

- resolves that under these conditions, the communist and workers parties shall actively work to rally and mobilise the widest possible sections of the popular forces in the struggle for full time stable employment, exclusively public and free for all health, education and social welfare, against gender inequality and racism, and for the protection of the rights of all sections of the working people including the youth, women, migrant workers and those from ethnic and national minorities.

- calls upon the communist and workers parties to undertake this task in their respective countries and launch broad struggles for the rights of the people and against the capitalist system. Though the capitalist system is inherently crisis ridden, it does not collapse automatically. The absence of a communist-led counter-attack, engenders the danger of rise of reactionary forces. The ruling classes launch an all out attack to prevent the growth of the communists and the workers' parties to protect their status quo. Social democracy continues to spread illusions about the real character of capitalism, advancing slogans such as 'humanisation of capitalism', 'regulation', 'global governance' etc. These in fact support the strategy of capital by denying class struggle and butressing the pursuit of anti-popular policies. No amount of reform can eliminate exploitation under capitalism. Capitalism has to be overthrown. This requires the intensification of ideological and political working class led popular struggles. All sorts of theories like 'there is no alternative' to imperialist globalisation are propagated. Countering them, our response is 'socialism is the alternative'.

We, the communist and workers' parties coming from all parts of the globe and representing the interests of the working class and all other toiling sections of society (the vast majority of global population) underlining the irreplaceable role of the communist parties call upon the people to join us in strengthening the struggles to declare that socialism is the only real alternative for the future of humankind and that the future is ours.

The only way out of the global crisis is to intensify the struggle against capitalism