South Africa within Global and Post-Apartheid Constraints

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Introduction

The aims of the African National Congress (ANC) in the South African government (hereinafter referred to as government) are more complicated than they used to be as a freedom movement, i.e. between 1955 (the year of the establishment of the Freedom Charter) and 1990. Economic-political shifts in the international balance of forces have imposed this complication. The organisation is now torn between its policies and principles before 1990 and this new situation. As anti-apartheid activists, a clear statement was made that the anti-apartheid struggle could not be separated from the struggle for socialism. The ANC's former hopes of introducing some degree of socialist-orientation in its socio-economic developmental perspectives have been shattered with the retreat of global socialism.

Government's current growth, employment and reconstruction (GEAR) programme is being shaped by local big business and current global corporate dictates. This means that South Africa must structure its economy in such a manner that it would become increasingly accessible to international capitalism. Prices must be right, i.e. exchange rates, interest rates, wages, etc. must attract foreign investment. In this paper I wish to argue that South Africa, as well as the rest of the developing world, have no other choice but to embark on a capitalist path of development at this point in time. The National Democratic Revolution (NDR) (see page 19), if taken seriously, could assist in reducing the negative impact of corporate globalisation. The NDR requires the political will of politicians to implement it.

The globe

Globalisation refers to the increasingly shrinking and competitive world we live in, explained, broadly, by three key factors: first, communication and its ensuing logistics make it possible for people and products to be transported quickly to any corner of the world. This facilitates the global production and distribution process.

Next we have financial settlement systems, modes of payment and account settlement, facilitating the enormous growth of international business, trade and investment. Third, contributing to the shrinking of the world and international competition are the multinational corporations (MNC). These are major companies in controlling positions over one or more industries with subsidiaries in many countries. The MNCs wield enormous economic power, lose their national identities and pose a threat to smaller companies, particularly in the developing countries. Added to these three factors, is a complexity of other phenomena such as international courts, peace moves and treaties, environmental issues and arms control, which are included in the concept of globalisation (Meloan 1998:34).

There is no question as to whether South Africa should be part of the global process or not. The country is steeped in it! Foreign intervention and colonialism had started the process. Whether global trade has intensified recently is debatable:

> [T]he second half of the 19th century saw levels of world trade and investment at least as high as they are today. Even at the end of the 1990s capital transfers represent a smaller share of industrialised country economies than they did in the 1890s, and exports account for a share of gross domestic product (GDP) comparable to that of 1913 (Nayyer 1997:13).

On the other hand, as mentioned above, technological advances in communication have changed the face of the globe:

> [I]f the scale of today's globalisation cannot be so easily distinguished from that of previous eras, its character is very different. According to one neat description, globalisation describes capitalism in the age of electronics. The development of new technologies - especially communications technology - is largely responsible for making possible modern production and distribution on the global scale (Davis 1999:37).

Up to the 1930s, South Africa was only an exporter of raw materials, especially based on mining. Thereafter it began a trade policy based on import substitution industrialisation financed by the country's mining exports. This policy grew steadily (11.5% in 1980, 12.5% in 1985, 22.0% in 1990 and 28.2% in 1993), contributing to the growth of local industry (Isaacs 1997:69).

There are two contrasting schools of thought on the question of globalisation: one that demands a just order sensitive to the specific, less advantaged position of the working (urban and rural) class world-wide, as well as the developing countries in general, contrasting with that of the élitist position of corporate globalisation. The latter is represented by Mike Moore, Director-General of WTO (World Trade Organisation), who defended multi-national institutions:

> Imperfect as these institutions are, they're the best we've got to improve human living standards. At the same time, the WTO cannot and should not be blamed for everything that is wrong in the world (WEF [World Economic Forum] Report: 2000).

This means that there is an attempt to put a human face on corporate globalisation. This contrasts sharply with the rest of my discussion.

Anti-corporate globalisation activists from around the globe send delegations to protests at international corporate meetings. At the end of November and the beginning of December 1999, protesters outside the meeting of the WTO in Seattle received harsh treatment from police. Their treatment is reminiscent of that of communists outside of the former socialist countries and of anti-apartheid activists inside South Africa. And protesters against the meeting of the Bretton Woods institutions (the World Bank and International Monetary Bank) of 16 - 22 April 2000 were arrested in Washington D.C. A statement by seventy of the male protesters indicates their medieval treatment:

> Over the past five days we have been shuttled through the D.C./Federal judicial system. Despite the relatively trivial charges that most of us received ('crossing a police line', 'parading without a permit', or 'incommoding') and our shared decision to remain silent when asked to identify ourselves, we were subjected to a series of 'divide and conquer' tactics, both psychological and physical. We were denied contact with our lawyers for consecutive periods of more than 30 hours at a time; left handcuffed and shackled for up to eight hours; moved up to 10 times from holding cell to holding cell. Many of us were denied food for more than 30 hours and denied water for up to 10 hours at a time. Though many of us were soaking wet after Monday's protest, we were refused dry clothing, and left shackled and shivering on very cold floors. For no apparent reason, some of us were physically attacked by U.S. Marshals; we were forcefully thrown up against the wall, pepper sprayed directly in the face, or thrown on the floor and beaten. At least two individuals were forced against the wall by their necks in strangulation holds, with threats of further violence. This sort of violence was perpetrated against at least two juveniles in order to separate them from the large group (Albert: sysop@zmag.org).

One would expect this treatment in a developing country under a dictatorship. Such feudal values would not be surprising since feudal relationships still exist in all developing countries. What the USA marshals told protesters and the way the justice system worked in this instance are synonymous with tyrannical one-party states:

> The U.S. Marshals told us that we would be going to D.C. Jail, where we would be raped, beaten and given AIDS or murdered by 'faggots' and 'niggers'. Chief Judge Eugene Hamilton, in a shocking violation of legal ethics, appointed public attorneys for each member of our group and ordered them to post our bonds while we were still in the D.C. Jail, expressly against our wishes and best interests. In fact, though we asked repeatedly for our own lawyers, we were assigned public defenders who consistently acted in the interests of the prosecution. All of this came after the excessive violence used against peaceful demonstrators in the streets of Washington. Violence perpetrated by police included running people over with police motor cycles, clubbing, beating, pepper spraying, tear gassing, trampling with horses, and systematically fabricating scenarios to legitimize police actions in the eyes of the public (Albert: sysop@zmag.org).

This is frightening for South Africans, particularly to those who experienced such treatment not very long ago, during the apartheid era. And it is disturbing to South Africans in the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU) who align themselves with the protesters. The increasingly close ties with global corporations, including those based in the USA, could erode the tolerance which government has towards the trade unions and the SACP.

While global capitalism achieves great strides in infra-structural development, impacting on the social and economic lives of peoples, particularly in large cities, the system continues to breed gross inequalities in sub-Saharan Africa. Little has changed since the beginning of the 20th century after the colonial and imperialist powers had completed the territorial division of the world among themselves. Profits from the colonies, particularly Asia, were in the region of $2,000 million annually the year before the First World War and up to $4,000 million just before the Second World War (Ulyanovshy 1978:27). Today, the drain continues. Since 33 of the 48 least developed countries (LDC) are in Africa, the statistics below referring to the poorest are all in Africa. According to the UN, the past three decades has seen increased polarisation in wealth distribution:

> According to UNDP's [United Nations Development Programme] 1996 Human Development Report, in 1993 only US$5 trillion of the US$23

> trillion global GDP were from the developing countries even if they accounted for nearly 80 percent of total population. The poorest 20 percent of the world's people have seen their share of global income decline from 2.3 percent to 1.4 percent in the past thirty years. Meanwhile, the share of the richest 20 percent has risen from 70 percent to 85 percent. This doubled the ratio of the share of the richest over the poorest - from 30:1 to 61:1. The assets of the world's 358 billionaires (in US dollars) exceed the combined annual incomes of the countries with 45 percent of the world's population. The gap in per capita income between the industrial and the developing worlds tripled, from $5,700 in 1960 to $15,000 in 1993. Between 1960 and 1991, all but the richest quintile (of the world's people) saw their income share fall, so that by 1991 more than 85 percent of the world's population received only 15 percent of its income - yet another indication of an even more polarized world (Castells 1998:80).

This means that the LDCs have little hope in our current world order and this is compounded by the fact that this hopelessness is reflected throughout the world. In the industrially developed countries, the gap between the rich and employed, that is between the upper and middle classes, is widening. The so-called Newly Industrialised Countries (NIC) of South Korea, Taiwan, Singapore and Hong Kong, also known as 'Asian Tigers' or 'first tier NIC's', have seen drastic negative changes in their economies in the 'nineties. The 'second-tier NICs' - Thailand, Indonesia, Malaysia and China - have experienced similar downturns. The 'emerging economies' of India, Mexico, Brazil, Argentina and South Africa still have large parts of their populations falling into the LDC categories.

Policies of the WTO and Bretton Woods institutions intensify global constraints. The Structural Adjustment Programme (SAP) of the latter expects governments of the developing world to cut expenditure particularly in health, education and other developmental programmes (despite a contrary claim), with a concomitant acceleration of privatisation and the elimination of tariff protections for industries in developed countries. The conditions contained in the SAP encourage the devaluation of currencies and the removal of foreign exchange controls. They promote cash crop farming, which causes much environmental and economic damage to rural populations. Besides contributing to rising income and wealth inequality, the SAP has caused per capita income to plummet, particularly in Africa. These Banks (which were initially instituted to rebuild Europe after the 2nd World War), claim that they make decisions on the basis of pure economics. This is capitalist economics. Attributive to this system is the insistence on free-market zones and economies. (For example, when a left leaning government took over in Chile in 1971 through democratic elections, the World Bank stopped all loans. After a military coup in

1973, the Bank resumed loans to the neo-liberal economy despite the country's tyrannical military dictator. In Nicaragua, after the 1979 revolution, the same policy was implemented by the Bank. Other reasons for the SAP stem from the above-mentioned claim: the Bank require cuts in government subsidies, government-run services and government spending on social welfare because this would eventually lead to the privatisation and commercialisation of state enterprises. By and large, the devaluation of currencies benefits developed countries.

South Africa borrowed heavily in the 1950s and 1960s from the World Bank. However, since 1967 there were no more loans for the country. Apartheid South Africa also had a long-standing relationship with the IMF, which had pumped billions of dollars into the economy. Both the World Bank and the IMF have been preparing for a re-entry into the country with resistance from the SACP and trade unions in the South African Trade Union Co-ordinating Council (SATUCC). During the transitional period - 1990 to 1994 - 30 research teams were sent into the country by the World Bank and the IMF designed the value added tax system in 1993 together with granting a loan of $850 million to the transitional government. Another loan from the IMF is in the pipeline with resistance, again, from the SACP and SATUCC (Isaacs 1997:130-140).

Many developing countries must pay huge percentages of their national budget to foreign creditors. Twenty percent of sub-Saharan countries' export income is being paid to lending institutions and countries. Much of this is classified as odious debt. (These are debts created by dictators, leaders who have used the money for personal use and for unsustainable projects. The apartheid debt is also odious debt, which South Africa pays back.) Recently, the IMF has come up with a debt-relief programme, first called the Enhanced Structural Adjustment Facility (ESAF) and then changed to Poverty Reduction and Growth Facility (PRGF) after it was criticised for poor management. The World Bank's Heavily Indebted Poor Country (HIPC) Initiative operates together with the PRGF and has already proved inadequate because only 15 countries will see some benefit. An analyst from the United Kingdom for Jubilee 2000 (an international movement lobbying for debt cancellation), Joe Hanlon, explains:

> Of the $207 billion HIPC country debt, approximately $100 billion is not being serviced - mainly with the agreement of the IMF and World Bank. This means the Bank and Fund have already admitted that this money will never be paid. So the $100 billion now on offer is only equivalent to the money that it is already accepted will never be paid - in effect this much debt can be written off without real cost since it would never have been paid.

> Compounding the problem, the price of receiving debt relief under the PRGF/HIPC program is implementing a carefully supervised structural adjustment program for three years, even though structural adjustment programs worsen poverty (Albert:sysop@zmag.org).

This further confirms the Bank's and Fund's commitment to pure capitalist economics. However, it is not feasible if debt cancellation is sought out of context, because countries are still faced with the same problem after re-borrowing. Equitable co-operation on regional and global levels must follow. The poorest countries in the world account for 0.4 percent of world trade and this trade decreases. Export earnings for developing countries could increase by US$700 billion per annum, raising their GDP by approximately 12 per cent, if industrialised countries opened their markets. This constitutes 10 times what the developing countries receive in aid (*Mail and Guardian* 12-18/11/99).

This is a lesson for South Africa who has approached the World Bank for a R1.2 billion loan to revamp public hospitals; this will be discussed in July 2001 by the Bank's board. The Bank is quoted as saying:

> It is anticipated that this will be the first of a series of future World Bank involvement in the sector (*Umsebenzi* 09/00).

South Africa's borrowing contradicts the country's commitment to the national democratic and developmental state. The Bank is keen to lend to South Africa because the country is paying back the apartheid debt. In its 1999/2000 budget, R48.2 billion was allocated for servicing South Africa's debt. This renewed borrowing can be avoided. Malawi, one of the LDCs, with an overall debt of R12 billion, was in a position to reject an offer of a loan of R240 million for the country's AIDS programme.

However, relatively, South Africa's foreign borrowing is at a low level as indicated below:

> With foreign borrowing of less than 5 per cent of its total debt, the government has ample scope for further borrowing overseas. Add to this the fact that the government is a significant borrower in the local capital market, and its partial withdrawal could have downward pressure on domestic interest rates. Such a result would have a favourable impact on both the treasury costs and the broader macroeconomic framework (Abedian 1998:289).

Grouping of countries together into economic blocks or regional trade blocks is a key feature of global trade. Currently the three major trade blocks are the European Union (EU), the North American Free Trade Agreement (NAFTA) and the Asia Pacific Economic Co-ooperation (APEC). These blocks wield much political power as well as compete for more and more control over the global economy. Within the context of this global trade, the Southern African Development Community (SADC), of which South Africa is a member, and other African trade and regional blocks play insignificant global trade roles. These blocks work in the interest of corporate capital and against the interest of workers. In the case of NAFTA (of which Canada, Mexico and the USA are members), trade agreements have led to job losses and a decline in living standards for all workers in the block.

In fact, the overall global organisation governing world trade is the WTO. Its predecessor, the General Agreement on Trade and Tariffs (GATT), was formed in 1948. South Africa was a founder member and is now a member of the WTO. The 127 member states belonging to the WTO, together with the 28 now applying for membership, account for more than 90 per cent of world trade. The GATT was less formal than the WTO, which has permanent status and sets rules on international trade. This is a significant shift and one which displeases workers world-wide since the organisation's policies are based on neo-liberalism and closely aligned to the Bretton Woods institutions. Countries not belonging to the WTO fall by the wayside.

In terms of the Marrakesh Agreement signed between member states of the WTO in April 1994 in Morocco, the clause calling for trade in intellectual property rights and in investment measures is particularly disturbing and begs the question: What kinds of 'dangerous' priorities are we talking about? Consider that the WTO's rules that deny Third World nations the right to have automatic licensing on patented but absolutely essential medicines. So, for example, even when African nations currently ravaged by diseases such as AIDS acquire the scientific and technical means to manufacture drugs to save millions of lives, the WTO's first concern is the protection of the patents and profits of powerful drug companies.

The WTO defines itself as a 'trade' organisation, which is incapable of pursuing social goals, such as extending the rights to freedom of collective bargaining to Third World and poor workers. Thus when an authoritarian regime markets clothing and athletic shoes that were produced by child labour under sweatshop conditions, the WTO claims that there is nothing it can do (Marable: sysop@zmag.org).

However, supporters of the agreement (including the World Bank, corporate business and the WTO leadership) highlight the following:

* It has been estimated that global income will be $500 billion greater in the year 2005.
* Trade of developing countries will expand by 14%.

* Consumers will benefit through being able to buy cheaper imported products manufactured with low-cost labour.
* The profits of major companies will rise (Isaacs 1997:82).

The critics of the agreement–unions, consumers and non-governmental organisations and Sir James Goldsmith of the European Parliament - agree that both rich and poor countries alike will have to enforce the same international rules and disciplines. They argue that governments will lose $750 billion in the form of revenue over five years, and that, as subsidies are lifted, world prices of traded food will rise by 10 to 15 per cent and the disadvantaged will be the 110 countries in the developing world which are the net importers of food products. Furthermore, job losses and retrenchment will be rife and not least, the agreement will further compound the already existing tough competition between companies of different countries and between workers of and within different countries (Isaacs 1997:82/3).

South Africa, a signatory to the Marrakesh Agreement, agreed to the following:

* About 12 800 tariff lines will be rationalised into no more that 1000 lines.
* By 1999, industrial tariffs will be cut on average by about 33% in five equal annual stages, starting 1 September 1995.
* The clothing and textiles and auto industries will have a period of 8 years to reduce tariffs in these industries.
* Agriculture has six years to drop tariffs by an average of 36% and must abolish all quotas immediately.
* The General Export Incentive Scheme (GEIS) will be phased out by 1997 (Isaacs 1997:82).

The government's intention was to foster international competitiveness so that companies could specialise in order to produce cheap quality products. However, the concerns of the critics are real and of pressing relevance. The world needs a global trade regulator, but not one having the agenda as that of the WTO.

Post-apartheid South Africa

Like the rest of Africa, South Africa bears the brunt of corporate globalisation. It is an African country, in that it is no more a first world country serving about five million people. It now serves all 40 million of its population. For a new democracy, this is a daunting task. It has to change existing structures, very imperialist in nature and with little competitive indigenous capitalism, to structures that would serve the interests of 60 percent of the population living below the breadline. Besides the inequalities facing the country, South Africa has moved from a sheltered apartheid economy to a global one. This restructuring is a costly economic and social exercise. In industrialised countries, at the end of the 19th century, the now enfranchised working class used their vote to pressurise their governments for greater equality. This was done through the extension of the welfare state. South Africa did the same, but those who benefited from it still live below the breadline. There isn't enough to go around in order to satisfy the basic needs of the previously disadvantaged population. The government is, however, still under pressure. On the basis of both race and class, therefore, many commentators expected that the ANC would be under pressure from its constituencies for redistribution: along racial lines, from white to black, and along class lines, from rich to poor (Natrass & Seekings 1998:33).

To remedy South Africa's post apartheid government's inability to satisfy the necessity for employment, housing, education, health care and welfare, as fast as the poor demand, is a problem that will require the redistribution of wealth. In order to achieve equality government will have to embark on a full-scale nationalisation programme which is not possible in today's global economic climate.

President Thabo Mbeki of South Africa together with ministers had made several visits to the USA and Europe in the first half of year 2000, urging these countries and international trade and lending institutions to create a more just and equitable world order. In the USA May 2000, he proposed the following three recommendations:

> Trade rules, which work to the disadvantage of developing countries should be renegotiated; the debt burden of poor countries had to be reconsidered; and ways had to be found to make international financial institutions play a genuinely helpful role, rather than a misguided and damaging role in helping poor countries to restructure their economies (Sunday Times 20/5/00).

Hence government is mindful of global constraints and, at the same time, responds to demands for the country to be more competitive globally, correcting a distorted market, enskilling people, addressing the wage gap, finding agreement between government, business and labour. This is not an easy task given the constraints imposed by global neo-liberalism. President Mbeki's recommendations impinge on the conditions set out by the IMF, World Bank and WTO and it is at the level of these organisations that South Africa must influence such recommendations.

There are criticisms from almost all ideological positions of government's alliance with international capitalism. Government's task to win over international business is difficult. Who wants to invest in a country which has a developed working class, when there are many spots world-wide where labour is almost free? Unlike industrialised developed countries, in which every country wants to invest, South

Africa still does not have the capacity to make use of global markets. It cannot use the latest technology as effectively and efficiently as the developed countries which have the necessary base and infra-structure. Although the South African labour force knows and fights for its rights, it is not skilled enough to keep in touch with latest innovations, to apply them and to adapt swiftly to the ever changing technology. Neef (1999:ix) emphasises this swiftness:

> Never before have so many knowledgeable workers been given such good tools and such rewarding incentives to create new and innovative products and services. More is known and being learned every day than was every known or learned before. And more things are being invented, altered, and eliminated more quickly than ever before

Alliance with capitalism is simply government's GEAR programme which is fiscal discipline through deficit reduction, continued liberalisation of exchange controls, accelerated reduction of tariffs, tax incentives, labour market reform and government's privatisation programme. There is also concern that foreign direct investment (FDI) had plunged four times lower in one year (1997 to 1998) and it is feared that it has something to do with the never ending activism of the working class. What is then to be done with these politicised and organised workers? An indirect answer was given in 1998 by the ANC's Firoz Cachalia of the Gauteng provincial legislature:

> Contrary to the conventional wisdom that the alliance between governing party and trade unions limits economic growth, there is considerable evidence that such relationships make growth possible through wage restraint (*Business Report* 14/12/99).

In other words,

> Discipline the unions and move ahead with large-scale privatisation to attract FDI and keep domestic big business interested. The resultant in-flow of capital will then provide the platform for developing the economy. Everything else will follow (*Mail and Guardian* 7 – 11: 3/4/00).

Such an assertion would be difficult to implement. The working class gains and South Africa's constitution, one of the finest in the world, would have to be thrown out of the country's history. The thrust of the NDR would be in serious jeopardy. However, when the Ministry of Public Enterprises released its document entitled 'Policy Framework: An Accelerated Agenda towards the Restructuring of State

Owned Enterprises' in August 2000, reactions to it were interesting. The Unions had mixed opinions from confusion to opposition to privatisation. The opposition parties, coming from an opposing ideology to that of the Unions and the ANC-led government, said the document was vague and timid, and that market forces would certainly not approve. Both the working class and their employers opposed the document, but for different reasons.

Any successful state must have a strong nation-wide civil society. The largest and most prominent ones, that of COSATU, NACTU and SANCO, were at the forefront of the internal struggle against the apartheid system. Being at the forefront, these labour and civic organisations mobilised millions of the oppressed, exploited and unemployed masses nation-wide. They were an extremely powerful and committed force persisting against the odious crime against humanity. Having such a goal, these organisations found it relatively ideologically convenient to unite the masses. To sustain these large group formations within conditions of the post 1994 status quo is not possible. A different political environment now exists with no common enemy.

Today post-colonial governments have to manage their economies and the resultant social movements to revolve around the inherited colonial and apartheid cities. This dilemma of including non-capitalist economic and social movements into the capitalist colonial cities continues to exist in African states. A further dilemma is that the colonial capitalist cities were never and still are not indigenous capitalist cities. Capitalism is not inherent in indigenous economies in the developing countries. Multi-national companies exist in most cities of the world, but in industrialised developed countries, such as the USA and western Europe, they exist side by side with local capitalism. In post-apartheid South Africa, this problem is compounded by the need to remove 'homeland' structures. While this involves mainly civic structures, it is a sizeable drain on the economy. These underlying, basic problems are reflected in the implementation and representation of the policies, particularly economic, of the ANC-led government.

Black capitalist class in South Africa

Let us look at the call for the encouragement of a 'black capitalist class' in South Africa. Today's political climate, both global and national, does not offer any serious alternative to the power of the USA and western Europe and their international financial and trade institutions. Under such constraints it is hardly possible to achieve equity and development. A black capitalist class would be inevitable. Since the trade unions were the vanguard of change, what alternatives are there for the unions to continue this tradition? Engaging with capital is not a new strategy employed by unions and communist parties. It has been, for some time, common practice in

Europe. Hence in South Africa, the process is being led by the trade unions themselves. A R400 million fund called Infra-structural Development and Environmental Assets (IDEAS) has five COSATU and two NACTU affiliate unions in partnership with Old Mutual Asset Managers. The Unions operate within an assortium, Unity Incorporation under the banner of Setsing Financial Service was launched in October 1998 (*Sowetan* 5/5/00). Leading trade communists and trade unionists such as C. Ramaphosa, J. Naidoo, J. Modise, M. Maharaj and J. Matlatu have entered big business.

Having stated above that the emergence of a black capitalist class would be inevitable, E. Harvey, a freelance writer, goes to the extent of saying such a development is a myth:

> Black capitalism has arrived too late on the stage of capitalist economic development in this country to become and sustain itself as an independent and powerful entity within the economy and pose any serious challenge to or replace the domination of white monopoly capital. While history before 1994 was not on its side it appears that subsequent history is not either (*Mail and Guardian* 11-17/2/00).

In support of this premise, the concentration and centralisation of South African capitalism is quoted, whereby 'five white companies controlled between 65% and 70% of assets on the Johannesburg Stock Exchange (JSE)' after the country's 1994 elections. 'White monopoly capital' excluded 'the development of a black capitalist class'. Basically the discussion is the same as the above-mentioned post-colonial dilemma. The pre-1994 'capitalism' in South Africa benefited a small proportion, approximately six million, of the population.

It was and is mainly monopoly capital which built South Africa's infra-structure. If monopoly capital is here to stay, how does the rest of the population, excluded from it and excluded from democracy, grow or develop? With the money system, the stock exchange and the country increasingly becoming globalised, what route of growth or development will the excluded take? How and to where do the disempowered move from weaving baskets, making clay pots and bead products? When will gender imbalances start disappearing? When will the gap between cities and rural areas close?

The excluded

Will the new USA-Africa Growth and Opportunity Act (AGOA) of 2000 make a difference to the economies of Africa? The main aim of the Act is for African companies to apply for preferential access for their products after their governments have been cleared on their human rights credentials. The process of application is complex: products must be classified into categories; each product must comply with original rules applicable to their product classification; products must have a certain percentage local content and this varies in each category. D. Newman, partner at Deloitte and Touche, an international company responsible for trade and industry solutions, believes Africa is not taking advantage of the Act:

> To be eligible for preferential access, individual African countries must first apply for it to allow the US government to check on their human rights credentials. SA has duly applied. Thereafter, companies and industries must formally apply, and this process is already underway (*Sunday Times* 30/7/00).

Will the excluded join sub-Saharan Africa in its decline and its political economy, which is dependent on international aid and foreign borrowing with its concomitant mass starvation, unemployment, gender imbalances and diseases? The two figures below compiled by the UN compare sub-Saharan Africa, the excluded, with the rest of the world.

Per capita GDP of developing economies, 1980-1989.

	Annual rate of growth of per capita GDP (%)				Per capita GDP (1988 dollars)			
	1981-1990	1991-1995	1995 a	1996 b	1980	1990	1995 a	1996 b
Developing economies	1.0	2.9	3.3	4.0	770	858	988	1028
Latin America	-0.9	0.8	-0.9	0.075	2148	2008	2092	2108
Africa	-0.9	-1.3	0.0	1.5	721	700	657	667
West Asia	-5.3	-0.6	0.4	0.25	5736	3423	3328	3335
South-East Asia	3.9	4.0	5.0	6.0	460	674	817	865
China	7.5	10.2	9.1	8.0	202	411	664	716
Least developed countries	-0.5	-0.9	0.4	1.75	261	249	238	243

Source: UN/ DESIPA

Value of exports from world, less-developed countries, and Sub-Saharan Africa, 1950-1990

Region	1950	1960	1970	1980	1990
	Billions of current dollars				
World	60.7	129.1	315.1	2002.0	3415.3
LDC's	18.9	28.3	57.9	573.3	738.0
SSA	2.0	3.8	8.0	49.4	36.8
	Share of LDCs (%)				
World exports	31.1	21.9	18.4	28.6	21.6
	Share of SSA (%)				
World exports	3.3	2.9	2.5	2.5	1.1
LDC exports	10.6	13.4	13.8	8.6	5.0

LDC's, less-developed countries; SSA, Sub-Saharan Africa
Source: UNCTAD 1979, 1989 and 1991

While Castells (1998:83), referring to the above tables, argues that structural, social causality underlines this historical coincidence, I would add to this my argument: that Africa was 'introduced' to monopoly capital when it was structurally not prepared for it. Africa had not reached the advanced stage of capitalism when the colonialists started establishing themselves on the continent. It is difficult to pinpoint exactly at what stage African towns were founded since much of the history, culture and economy was destroyed. What is certain is that vast areas were and still are at the communal stage. Feudal, and in some areas slave relationships, are also predominant. (The same applies too much of Asia and South America. Values which were dominant in European feudalism still exist in Europe the form of religion and royalty.) Africa's problems, today, of still grappling to come to terms with capitalism are compounded by the nature of the new global order.

Could the answers to the plight and rescue of South Africa's 'excluded' be found in the policies of the ANC-led government? Could they trigger a ripple effect into the rest of Africa and save the continent? Socio-economic exclusion is not static. It shifts, sometimes for the better, sometimes for the worse. Those socialist-orientated countries, aligned to socialism when it existed from the 'sixties to the end of the 'nineties did experience a shift for the better. Tanzania, in this period, had almost solved its illiteracy problem. Between 1975 and 1980, primary schools, clinics and little shops sprung up in rural Mozambique. Now that there is no socialist-orientated developmental route, with the retreat of socialism at the end of the 'nineties, these gains have regressed. The National Democratic Revolution (NDR) can only be possible within the context of such a developmental route. This term was coined during the era of socialism in eastern Europe. V.I. Lenin, the first leader of the former Soviet Union, together with other Marxist theoreticians, referred to the underdeveloped countries which were economically aligned to the socialist countries as countries which could engage in a national democratic path of development. These countries did not have the pre-requisites for a socialist state.

The National Democratic Revolution

The NDR, as its name suggests, is a revolutionary solution to the problems of the developing world. The term revolution refers not to an event, but to a process. The NDR is not used by all developing countries but is, in abstract, applied by those countries engaging in its terms as explained below. Is such a solution possible within the confines and constraints of global capitalism? The ANC/SACP's thinking on the NDR in South Africa is as follows:

> Basically, the 'national' in the NDR has, itself, referred to three different but interrelated realities: the first, and most important, dimension of the 'N' in NDR is the conviction that the central question of our struggle is to address the national oppression of the majority of our people. The 'N' in NDR has also always been understood to refer to the critical task of nation building. The 'N' in NDR has also always had an external reference: the need to win, defend and nurture the capacity for national self-determination in the face of colonialism and neo-colonialism (*Umbrabulo* 1999).

The basic features of this process are consistent struggles for political and economic independence against neo-liberalism. It is the struggle for the implementation of broad democratic rights and freedom, and above all, a land reform policy.

> The 'democratic' in the NDR:
> Since at least 1955, the ANC has defined democracy more broadly to include not just basic citizenship rights, but also the far-reaching democratisation of the social, gender and economic spheres (*Umbrabulo* 1999).

Having one of the best constitutions in the world, which includes having a Gender Commission and enacting very progressive laws, is not enough. Civil society must engage in this democratisation.

> The 'R' in the NDR:
> We have, as a movement, spoken of a national democratic revolution basically to underline two points: that all of the above 'N' and 'D' objectives require a fundamental change in the power equation in our country; and that the process of realising the 'N' and 'D' objectives is itself a fundamental change in the power equation (*Umbrabulo* 1999).

Crucial subsequent discussion is the thinking on power, i.e. its transformation and power as self-empowerment. This is crucial for developing states since empowering just the leadership robs that country of high priority development.

Key to the NDR is the South African working class. Even more crucial is class struggle and the socialist revolution. The working class may fight for better wages and conditions, but these could be reformist. For class struggle to become truly revolutionary requires that there should be revolutionary organisation. It requires that there should be a sense of purpose within the class waging that struggle (*The African Communist* 2000).

The Alliance

The Alliance (ANC, SACP and COSATU) theoreticians, hence, view the NDR as a process of struggle with the long term perspective of attaining a socialist state. For this process to continue uninterrupted, it is necessary that the ANC wins every round of national elections. Losing just one will have serious negative repercussions for the process, especially at this early stage.

On the one hand, we have the concept that the Alliance is intact. At the same time, at all levels, great concern is expressed about job losses, privatisation, the downgrading of the Reconstruction and Development Programme (RDP). The SACP and COSATU are critical of government policies and confusingly enough, government is critical of labour and itself. A comment by the reporter which accompanies the *Sunday Independent* interview with the Minister of Finance, Trevor Manuel, says of the Minister:

> He was particularly scathing of the Congress of South African Trade Unions (Cosatu) for its attempt to launch 'job creation marches' against the government.

Manuel also criticised aspects of the new labour legislation, the jobs summit and the National Economic Development and Labour Council (Nedlac). And he hinted that he had reservations about the effectiveness of the Reserve Bank's interest rate policy and the department of trade and industry's small business promotion activities (8/1/2000).

Manuel continued with his criticisms, stating that labour laws enacted in the interests of workers lack efficient means of successful implementation; how does one deal with bad organisation among workers and business? Although significant changes have been made for farm workers, farmers have displaced families in preference to the possibility accommodating illegal immigrants; moreover, tightened labour laws will mean more people of the lower stratum will 'get squeezed out'; finally, crucial for job creation is not legislation but a conducive environment for small business.

It is difficult to interpret such outbursts, in which a key member of the government is critical of his own government. As Minister of Finance, Manual must have been part of all the policy-making process of which he is now disapproves.

It is also problematic to reconcile the NDR with the ANC-led government's GEAR programme which clearly has a capitalist orientation. It requires that the Alliance clearly spell out the stages of the NDR, especially the economic programme. The NDR might not have kick-started for the millions living below the breadline, but the country has come a long way from the revelations of the apartheid state's hit-squad member Eugene De Kock, the discovery of the South African Defence Force's covert enforcement of homosexual soldiers to become women, and the entire apartheid system, to recent legislation which protects human rights in laws such as the Employment Equity Act, the Sexual Offences Act, the Domestic Workers' Act and the Skills Development Act.

Conclusion

The situation in which South Africa finds itself today is not an isolated one. Africa and the rest of the developing world are engaged in intensive privatisation. Job retrenchment occurs throughout the world. Small companies continue to be disadvantaged by the powerful MNCs. It is also a difficult transition for workers and trade unions around the world, a transition from having two global systems to one capitalist system. The rapidly changing nature of labour through the proliferation of technology - one of the effects of which is the individualisation of labour - compounds the working class struggle. Trade unions, globally, are divided on what form the international working class struggle should take, so much so that their power base and that of socialist parties have declined in the post dual system period. The International Confederation of Free Trade Unions (ICFTU) held its conference in April 2000 in Durban, South Africa. During the cold war the ICFTU had aligned itself with the capitalist countries and stood in opposition to the now-defunct World Federation of Trade Unions (WFTU), aligned to socialism. Some affiliates or members of WFTU have now joined ICFTU and pressure was put on the latter, at the

Durban conference, to be less reformist, and on both sides, to put aside ideological differences and unite against the onslaught of corporate globalisation.

Differences aside, the fact remains that there is no alternative to the ANC-led government as far as the Alliance is concerned. In the present economic global climate, if any one of the alliance members had to go it alone, or any left the party, it would do the same as the present government. The oppressive and exploitative system responsible for colonialism, imperialism, slavery and genocide continues to exist. The socio-economic and political decline of those countries affected negatively by this system will continue until this system is replaced by an egalitarian world-wide system which will put an end to the exploitation and oppression.

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