



**BUILDING
WORKING CLASS
HEGEMONY ON THE
TERRAIN OF A
NATIONAL
DEMOCRATIC
STRUGGLE**

Issued by the SACP for internal discussion in
preparation for the 2nd Special National
Congress

Table of Contents

<u>TABLE OF CONTENTS.....</u>	<u>2</u>
<u>THE CURRENT GLOBAL CONJUNCTURE – THE GREAT RECESSION.....</u>	<u>3</u>
<u>CAPITALIST CRISES – NOT AN ABNORMALITY, BUT THE NORM.....</u>	<u>3</u>
<u>THE PRESENT GLOBAL CRISIS.....</u>	<u>4</u>
<u>GLOBAL CAPITALISM’S HEADLONG PURSUIT OF PROFIT MAXIMISATION IS LEADING TO THE DESTRUCTION OF THE BIO-PHYSICAL CONDITIONS FOR HUMAN CIVILISATION</u>	<u>6</u>
<u>THE PRESENT SOUTH AFRICAN POLITICAL CONJUNCTURE.....</u>	<u>7</u>
<u>THE BATTLE OF IDEAS – NEW CHALLENGES, NEW POSSIBILITIES.....</u>	<u>8</u>
<u>A NEW CLIMATE FOR MORE OPEN AND TOLERANT DEBATE.....</u>	<u>9</u>
<u>THE ROLLING BACK OF THE 1996 CLASS PROJECT HAS ALSO EXPOSED THE EMPTINESS OF THE SECTARIAN LEFT!.....</u>	<u>11</u>
<u>THE POLITICS OF WORKING CLASS HEGEMONY...VERSUS THE POLITICS OF A MULTI-CLASS BALANCING ACT</u>	<u>13</u>
<u>TOWARDS A POLITICS OF MASS-DRIVEN, STATE-LED RADICAL TRANSFORMATION ON THE TERRAIN OF A NATIONAL DEMOCRATIC REVOLUTION.....</u>	<u>14</u>
<u>FOUR KEY SYSTEMIC REALITIES THAT REQUIRE RADICAL TRANSFORMATION.....</u>	<u>16</u>
<u>FIRST - OUR ECONOMIC GROWTH TRAJECTORY</u>	<u>16</u>
<u>SECOND – EDUCATION AND TRAINING.....</u>	<u>17</u>
<u>THIRD – THE SPATIAL REPRODUCTION OF RACIALISED (AND CLASS AND GENDERED) UNDERDEVELOPMENT AND INEQUALITY</u>	<u>18</u>
<u>FOURTH – THE RADICAL TRANSFORMATION OF HEALTH-CARE.....</u>	<u>21</u>
<u>THE STRUGGLE FOR WORKING CLASS HEGEMONY IN THE STATE.....</u>	<u>23</u>
<u>THE CORPORATISATION OF THE STATE.....</u>	<u>24</u>
<u>CORRUPTING THE STATE AND OUR MOVEMENT.....</u>	<u>26</u>
<u>PRIVATE BUSINESS INTERESTS, THE STATE AND THE DANGERS OF A “NEW ANTI-LEFT TENDENCY”...27</u>	<u>27</u>
<u>TRANSFORMING THE CRIMINAL JUSTICE AND MILITARY COMPONENTS OF THE STATE.....</u>	<u>28</u>
<u>STRATEGIC TASKS CONFRONTING THE SACP.....</u>	<u>28</u>

BUILDING WORKING CLASS HEGEMONY ON THE TERRAIN OF A NATIONAL DEMOCRATIC STRUGGLE

As the vanguard party of socialism in our country, the SACP has consistently advanced a national democratic revolution (NDR) strategy as the most direct route to the socialist South Africa to which we aspire. In this discussion paper we will continue to assert the relevance and vitality of this perspective. However, like any strategic perspective it must be constantly put to the test of actual concrete experience and struggle, and it must be tested also in the battle of ideas. Moreover, a strategic programme must never be treated as some timeless and a-historical truth that can simply be repeated parrot-fashion - it must always be located within a concrete international and national conjuncture. Finally, the purpose of a strategic perspective cannot be confined to providing an analysis of our reality – it must also provide the framework for a comprehensive and concrete programme of action for working class and popular struggle, and, in our circumstances, also a programme for the democratic state itself. These are the goals that we are setting for ourselves in the SACP, using this paper as a basis for collective discussion leading up to our Special National Congress in December 2009.

The current global conjuncture – the Great Recession

We are in the midst of the most serious global capitalist crisis since the Great Depression of the 1930s. Late into 2008 the illusion still prevailed in South Africa that our economy was “relatively well insulated”. That illusion has now been cruelly exposed. In the first half of 2009, with a deep local recession under-way, nearly a half million jobs have been lost, tens of thousands of other workers have been put on part-time, factories have been closed and businesses liquidate, the rate of bankruptcies, credit bureau black-listings, and car and home re-possession has soared. Billions of rands have been wiped off the Johannesburg Securities Exchange and retirement savings have evaporated into thin air.

Our task as the SACP is, of course, not just to note and to lament – it is to answer the question: What is to be done? But to answer that question, we need to understand more clearly what we are confronting.

Capitalist crises – not an abnormality, but the norm

Capitalism is never crisis free. The present Great Recession is one of the most serious episodes, but an episode nonetheless, in a centuries-long history of capitalist booms and busts. Political economists and other commentators had long noted this boom-bust nature of capitalism. But it was Marx in the second half of the 19th century who provided the first sustained scientific explanation. Capitalism, he demonstrated, is a unique mode of production directed towards accumulation for its own sake, regardless of social needs. The pursuit of profit maximisation through ever expanding accumulation drives capitalism’s constant and innovative tendency to revolutionise the forces of production. But this very process constantly leads capitalism to “over-produce”, to “over-accumulate” – that is, to produce more goods, or to produce the capacity in machinery and factories, for instance, to produce more goods than can be

profitably sold (which is very different from saying more goods than are needed by humanity). At the heart of all capitalist busts lies this kind of crisis of over-accumulation.

What Marx also demonstrated clearly is that the only fundamental “solution” that capitalism has for these crises is the crisis itself! Only the massive destruction of value (through retrenchments, factory closures, destruction of stock, loss of savings, bankruptcies, even destruction through war) can clear the ground for the next round of accelerated capitalist growth and profit-taking – which inevitably lays the basis for the next crisis of over-accumulation. **There are no solutions within capitalism for these crises of capitalism. The crises are not the result of the failure of capitalism, but of its very successes! The crises are not “abnormal”, they are systemic and inevitable...as long as we remain imprisoned within a capitalist system.**

The present global crisis

At present, as in the past, there are many intra-capitalist debates about what should be done. Centre-right proponents argue for greater market liberalisation and blame workers and government for the crisis. Centre-left proponents blame speculative greed and a lack of regulation, arguing for “stimulus packages”, the nationalisation of private banks’ debts, and greater social security interventions. But neither the centre-right nor the centre-left can address the systemic (which is to say CAPITALIST) nature of the crisis.

From the middle of 2009, many economists were beginning to detect “green shoots”, supposed evidence that the global economy had reached the bottom and was now beginning to recover. Given the relatively unprecedented nature of the present crisis, no-one is seriously able to predict what is likely to happen over the coming several years. There may be a slow global recovery. However, any recovery of global capitalist growth in the present circumstances will rest on extremely fragile foundations – not only have the immediate causes of the present crisis not been resolved (eg. the US’s massive trade imbalance, its budget deficit, and uncertainty about how much toxic debt major financial institutions are carrying), but various “rescue” and “stimulus” packages have momentarily deferred billions of dollars of now “nationalised” debt into the not so distant future. A possible scenario, therefore, is that there will be a brief global upturn followed by an even sharper downturn.

The key issue to appreciate is that the current global recession is profoundly systemic in character and instability and crisis are likely to persist and worsen even if there are periods of growth.

To appreciate the likely length of the present crisis it is useful to go back to the Great Depression that began in the US and spread globally from the late 1920s. Roosevelt’s New Deal “stimulus” package in the 1930s (a massive public works programme, involving the construction of dams and freeways) is often credited with “resolving” the Great Depression crisis. It certainly helped ameliorate some of the worst features of the Great Depression in the US. However, given the fact that New Deal/Keynesian ideas are back in fashion (at least in some more relatively enlightened, post-neoliberal circles), it is important to remember that the New Deal did not produce a major economic recovery in the US. In fact, there was no major economic recovery in the

US or in the rest of the capitalist world until the end of World War 2 and the mass destruction that it brought. If Roosevelt in the 1930s opted for a centre-left rescue package, others (in Germany or Italy, for instance) opted for a different kind of state-led “stimulus” package – massive militarisation and aggressive wars of occupation. It was only out of the bloody ruins of World War 2 that global capitalism was able to return, for a period, to sustained growth and relative stability (in its so-called “golden era” – 1945-1973).

It is also important for us to remember that even in the “good” times of capitalist boom, life is crisis-ridden for hundreds of millions of the world’s workers and poor. Let us not forget that the capitalist “golden era” of 1945-1973 saw the displacement of capitalist aggression and oppression into the periphery and semi-periphery on a massive scale – the wars in Indochina, military regimes in Latin America, the consolidation of the apartheid state. And moving to the more recent period, **before** the current crash, one billion people were living in slums. In 2005, at the height of the last commodity boom, half the world’s population was living on less than \$2 a day. In the midst of its own booming economy, between 1990 and 2002 (with an average growth rate of 9,3%) China’s growth was close to jobless (0,8%) and in the manufacturing sector it was actually negative!

Here in South Africa, the much vaunted “unprecedented and sustained growth” between 1994 and 2007, only managed (eventually) to bring unemployment back down to the crisis levels at which we had begun in 1994 (over 20%). In the same period, even in the midst of our democratic breakthrough, there was a huge shift of surplus from the South African working class majority to the tiny minority of capitalist exploiters and speculators – compensation to employees was 51% of GDP in 1994, while net operating surplus (profits for bosses) was 25% of GDP. By 2008 worker share of South Africa’s GDP had dropped to 42%, while the bosses’ share had risen to 33%.

The two systemic features of capitalism that we have just noted (the tendency to over-accumulation, and the tendency towards deepening inequality and mass immiseration even in times of boom) interact with each other and deepen the crisis on a world scale. Capitalism’s pursuit of profit leads to the mass eviction of small farmers, to sweat shops, to mass casualisation, and to an increasing share of surplus being appropriated by a small elite – but these very tendencies weaken mass demand (as opposed to popular need) and so accentuate the crisis of over-accumulation.

For the great majority of the world, and for the great majority of South Africans, the only path out of this crisis is a path that challenges and transforms the systemic features of capitalism itself. Here in SA, it is the task of the SACP in particular to consolidate and advance this strategic perspective, grounding it in our global but also our specific national reality.

Our strategy needs to embrace both defensive measures as envisaged, for instance, in the NEDLAC Framework Agreement, and offensive or transformati ve measures – which we will elaborate upon in later sections.

But before we move more specifically to this point, it is critical to consider another core feature of the current global capitalist crisis.

Global capitalism's headlong pursuit of profit maximisation is leading to the destruction of the bio-physical conditions for human civilisation

Already in the second half of the 19th century Marx expressed grave concern at the way in which capitalism destroyed ecological sustainability (what he referred to as the "human metabolism with nature"). In particular he wrote about capitalist industrial agriculture's destruction of natural soil fertility – one of the earliest signs of the non-sustainable nature of capitalist accumulation. A socialist society, he argued, needed to have a different approach:

"Freedom...can only consist in this, that socialised [humans], the associated producers, govern the human metabolism with nature in a rational way, bringing it under their collective control rather than being dominated by it as a blind power, accomplishing it with the least expenditure of energy and in conditions most worthy and appropriate for their human nature." (Capital vol.3)

This line of argument has received a great deal of elaboration (and practical application) in the writings of Fidel Castro over the past decade and in the programmatic interventions made in the Cuban revolution to address energy, food and general environmental sustainability.

The capitalist accumulation process is premised on ever-expanding growth and the illusion of limitless resources. However, there are absolute limits to capitalist production and reproduction (and, indeed, to any form of human civilisation). There is now a well-established scientific consensus that our present global economic trajectory is leading human civilisation towards catastrophe – with the depletion of non-renewable natural resources, the destruction of the environment, global warming and, therefore, the bio-physical preconditions for human survival. Capitalism (unfortunately like much of formerly existing socialism) assumes limitless natural resources available for ever-expanding exploitation.

It is true that many leading politicians in capitalist countries are now beginning to express grave concern about the future of our planet and denialism in this regard is on the retreat. However, there is still a great deal of technocratic utopianism coupled with market mysticism (somehow techno-geeks and the hidden hand of the market will find a solution). It is also common to find a cynical, even genocidal, social Darwinism ("don't worry there will be losers but there will also be winners"). This was exemplified by a recent *Newsweek* cover story which had most of North America emerging as a "winner", while the whole of Africa was in the category of losers – with the exception of Namibia which would benefit as "Swiss ski slopes melted and adventure sports enthusiasts discovered the sand-dunes of Namibia as an alternative holiday destination"!

All of these responses fail to face up to a basic fact - the growth path upon which capitalism has been embarked for some five centuries is carrying us all to destruction. Without a critique of the systemic nature of global capitalism, hopelessly inadequate piecemeal environmental reforms, at best, will remain the order of the day.

The dominant question in capitalist circles in the midst of the present Great Recession is: When will we get back to growth? But that growth path is carrying us to the brink of extinction. It cannot simply be a question of getting back to it. Yet the assumption that “growth” is the both the norm and the ideal is written into much of our language and thinking. For instance, we speak of “developed” countries and “developing” countries. A common assumption prompted by the very logic of these concepts is that “developing” countries are (and should aspire to be) on their way to becoming just like “developed” countries. In the first place as a factual assumption this is an illusion – few, if any, “developing” countries are actually on their way to becoming “developed”. Like South Africa, they remain locked into a global division of labour that reproduces under-development. But, in the second place, it is also a disastrous aspiration for the “developing” to become “developed” (i.e. in the sense of being mirror images of the North). It has been calculated that if the entire world were to consume as much as the average Australian, we would need the resources of five planet Earths. If the entire world were to live like the average North American, then seven planet Earths would be needed.

It is no accident that the current global economic crisis was triggered at the point of intersection between a series of deepening structural problems in the global capitalist economy – growing inequality in the US with mass demand propped up by a variety of “gravity-defying” financial mechanisms (like sub-prime loans); in turn, this unsustainable US mass demand fuelled Chinese growth; in turn, this Chinese growth, resulted in the accelerated consumption of non-renewables driving up oil prices (touching over \$140 a barrel in 2008) as well as accelerated and lop-sided Chinese urbanisation contributing to the global food-price shock of 2007-8.

An automobile-driven, mass suburban housing development sprawl, that has been free-way facilitated and which is petro-consumerist in character has been at the heart of the “American dream”. It has been kept afloat by the increasing financialisation of US capital, and by an unsustainable trade deficit with China (and others). It is no accident that the bursting of the sub-prime housing loan bubble was to be the catalysing epicentre for the global quake that is now rattling through the entire world economy. And it is no accident that among the key sectors in deep crisis in the US are precisely those that lie at the heart of the “American dream” and which lie at the intersection of both the crisis of over-accumulation and the crisis of environmental sustainability – the suburban housing market and the auto manufacturing sector.

Any comprehensive response to the environmental, which is to say the great civilisational, crisis of our times has to attack and transform the systemic logic of global capitalism. Here, too, the SACP has a major responsibility. We need to learn from and engage with a wide range of scientists, environmental campaigners and community struggles, but we also need to help to make the anti-systemic (i.e anti-capitalist) connections between often dispersed issues and fragmented struggles.

The present South African political conjuncture

We are now 15 years into our democratic dispensation, nearly a year after the watershed 52nd ANC National Conference at Polokwane, nearly a year after the democratic recall of an incumbent president, nearly a year after the SACP’s critical National Policy Conference, and a few months into our fourth democratic

administration under the Presidency of cde Jacob Zuma. We are also in the midst of a dramatically heightened level of popular and working class struggles in our country – as workers and the poor fight militantly to ensure that the burden of the present crisis is not borne overwhelmingly by themselves. None of these national realities are disconnected from the global capitalist realities we have been considering in the previous sections.

It is imperative that the SACP once more (to follow Lenin’s advice) provides “a concrete analysis of the concrete situation”. Once more, the SACP has a critical collective role in helping our movement and government to analyse in a more scientific and systematic way our current situation...and, therefore, how best to develop a strategic programmatic response that advances, deepens and defends the revolution.

The central thesis of this discussion paper is that developments over the past period underline the fundamental correctness of the SACP’s strategic perspective and line of march. In essence, this strategic perspective and active line of march has been based on a struggle to build working class hegemony on the terrain of a national democratic revolution. This Medium Term Vision (MTV) remains absolutely central to any coherent radical politics in the present conjuncture.

But to consolidate this MTV vision requires, amongst other things, an active contestation in the battle of ideas within our movement and across broader society.

The battle of ideas – new challenges, new possibilities

Over the past several years, the SACP came to understand that the principal **subjective** threat to our programmatic strategy (building working class hegemony on the terrain of an NDR struggle) came from what we characterised as “the 1996 class project”. (Conversely, and not by accident, those closely associated with the “1996 class project” identified the SACP as their principal ideological and organisational threat).

At our September 2008 National Policy Conference we characterised the “1996 class project” in the following terms:

“Over several years the SACP has developed an analysis of the post-1994 South African transition. We have argued that, notwithstanding important advances, monopoly capital in our country has succeeded in asserting a relative hegemony over the broad direction of our post-apartheid state and society. This hegemony was secured, in part, thanks to a leadership collective around cde Mbeki. It was a leadership collective that attempted to drive a neo-liberal restructuring programme that required the marginalisation of the SACP and COSATU, the demobilisation of the ANC, the suppression of popular struggle, and the forging of a close alliance between monopoly capital, senior state leadership and an emerging BEE faction of capital closely linked to our movement.”

What has transpired over the past several years – through the 2005 ANC NGC, the 2007 52nd ANC National Conference, the September 2008 presidential recall, and the April 22 2009 relative electoral marginalisation of COPE, has been the political and organisational defeat of the leading cadre behind the “1996 class project”.

There is no doubt that this defeat has politically and ideologically unbalanced both big capital in our country and centrist-reformism within our broader movement. (The global economic crisis and the associated ideological uncertainty of ruling circles further contributed to this unbalancing). However, the “1996 class project” spearheaded by ex-President Mbeki was only ONE possible intra-ANC **subjective** variant of capital exercising its hegemony over our new democracy, and the defeat of the project has not (yet) changed the **objective** power of capital, or (related to this), the underpinning systemic features of our economy and society that continue to reproduce extraordinarily high-levels of class, race and gendered inequality, poverty and oppression. Capital will not cease in its attempts to reassert an ideological and political class hegemony over our new democratic reality.

Over the past several years, in the battle of ideas within our movement a broad front of tendencies and ideological orientations got to be mobilised against the “1996 class project”. The SACP played a leading role in this process. However, it would be an error for the SACP to imagine that within this broad front everyone agreed with the positions of the Party, or necessarily disagreed with the core underlying ideology of “the 1996 class project” (as opposed to having personal grudges, for instance, against it).

There were, however, a general set of basic themes that united this broad front:

- a) A concern to defend inner democracy within our movement;
- b) A rejection of a style of politics that was intolerant of difference and constructive debate, that encouraged a cult of the personality and an inner circle of flatterers and courtiers;
- c) Related to which, there was a shared concern at the way in which the “1996 class project” abused state structures and access to corporate and/or personal wealth to advance factional interests within the movement.

It should be noted in passing that this last-mentioned point, in particular, is also the area in which there are likely to be potential post-Polokwane divisions. In many cases the concern about the abuse of wealth and bureaucratic power was principled (this certainly applied to the SACP, but also to serious non-left comrades within the ANC). In other cases the concern appears to have been more opportunistic – i.e. a grievance at being excluded from the abusing inner circle – rather than a principled rejection of the idea that personal wealth, or access to bureaucratic power should be used to advance personal accumulation interests. We mention this point because vigilance and a principled unity within our movement are required to ensure that any new negative tendencies are not allowed to consolidate – we will touch on this matter more fully in a later section of this paper.

A new climate for more open and tolerant debate

However, whatever the unevenness, the victory of this common platform at Polokwane has now tangibly laid the basis for a much more open and tolerant climate within the ANC-led movement, within government, within parliament, and within the country at large.

This too has caught the reformist centre outside of our movement off-balance. At the time of former president Mbeki's recall, there were dire warnings of chaos and melt-down from these quarters (the most hysterical of which was Archbishop Tutu's prediction of imminent "civil war"). The COPE splitters (along with their new-found friends in the DA and other centre-right political parties) sought to ride on the wave of this concern. Interestingly, today (apart from some COPE-ites) there is hardly a single journalist, opposition party member, academic, business leader, or political commentator who speaks with any nostalgia for the Mbeki presidential era. There is an almost complete national consensus that Mbeki's aloof and intolerant "personality" was a disaster, and that, thankfully, we are now once more in a situation in which national dialogue and debate are possible.

Of course, a great deal of this, when it comes from the side of business (and perhaps also from some elements within our movement), is likely to be driven by opportunism (seeking favour with the "new" political reality). However, there IS indeed a new climate, and the SACP has correctly welcomed it and acknowledged President Zuma's contribution in this regard.

Of course, this new reality does not mean that the battle of ideas is over – it means that we can advance SACP programmatic perspectives and contributions in a constructive (and non-sectarian) way on a terrain that is considerably more favourable.

Notwithstanding widespread acknowledgment of the "better climate", it is interesting how in capitalist and liberal media circles there remains (predictably) a nostalgia, if not for Mbeki as such, then for a "strong" president who will "put trade unions and the left" in their place. This nostalgia lies behind the recent media headlines seeking to portray President Zuma as an "absentee" president ("Where is Zuma?"). The same nostalgia lies behind the similar "Who is REALLY in charge?" line of attack (see for instance, the *Financial Mail's* July 24 2009 cover story with a big photo of COSATU general secretary cde Vavi and an – ungrammatical - question: "*Union Power. Is Zuma, and business, too weak?*"). These are attempts to goad the President (and his leading cabinet ministers) to pronounce (in a neo-liberal way) on matters like inflation targeting, thus putting to an end at least SOME (threatening for them) aspects of the broader climate of debate that the new administration has ushered in.

Political commentator, Anthony Butler, follows a similar line in his "one hundred days" assessment of cde Zuma's presidency. He awards positive marks for the President's "political dexterity", and his "openness and ready ear", but complains that:

"Zuma has proclaimed education as his priority and expressed a wish to meet every school principal in the land, but he has shown no stomach for bringing teacher unions into line. He has championed fiscal prudence but the recent pay settlements he facilitated will place government budgets under severe strain." (**BusinessDay**, 17 August 2009).

The class limits of the "tolerance" that liberal commentators expect is brazenly obvious. Behind the liberal rhetoric about "tolerance" and "reconciliation", what the

bourgeoisie wants is the opportunity to consolidate its intolerant class hegemony on the terrain of a tolerant constitutional, multi-party democracy.

Conversely, the task of the Communist Party in the current conjuncture is NOT to abolish, undermine or factionally manipulate (as the Mbeki-ites did) our democratic institutions and their broader politico-juridical setting – a multi-party, democratic, constitutional order. **Our task is both to defend this democratic space AND to use it to wage an untiring struggle to consolidate working class hegemony in all sites of power – as guided by our Medium Term Vision.**

The possibility of a dialectical COMBINATION of these two central tasks (the consolidation and defence of our democratic dispensation AND the struggle for working class hegemony) is denied by both:

- the sectarian ultra-left (who reject the present democratic dispensation as **inherently** “bourgeois” and “reactionary”); and
- the reformist centre (both within our movement and beyond it), who reject the idea of a struggle for working class hegemony – instead they advance a perspective of “balancing” class interests.

Let’s briefly consider some of the current features of each of these ideological currents.

The rolling back of the 1996 class project has also exposed the emptiness of the sectarian left!

Briefly, the sectarian left continues to be characterised by an oppositionism that is variously rejectionist:

- Rejectionist of the present state which has “*rapidly become*”, in the words of Dale McKinley, “*the ‘public arm’ of a slowly deracialising capitalist ruling class (both bureaucratic and corporate)*” (see Dale McKinley’s widely published internet article, attempting to analyse the post-April 22nd election reality: “*The crisis of the left in contemporary South Africa*”);
- Rejectionist of the present electoral dispensation (see the *Amandla* editorial collective’s “boycott” call for the April 22 elections), and
- Rejectionist of loyal (as opposed to entryist) participation within an ANC-led movement on the grounds that the ANC is “inherently” “pre-determined” to be bourgeois.

McKinley’s article devotes most of its attention to critiquing the tripartite alliance leaderships in a predictably subjectivist and personalised way, but the article is notable for its inability to advance a strategic programme of any substance. In the end McKinley concedes that his own brand of leftism: “*remain(s) numerically small and politically weak, characterised by organisational sectoralism, disjointed resistance struggles and a lack of ideological confidence.*”

Another prominent left sectarian commentator (Ebrahim Harvey) has made an even more forthright post-April 22 confession:

*“We on the left [i.e. HIS left]...have paid insufficient attention to how language, culture and nationalisms can, and often do, operate as powerful factors independent of straightforward class rationality” (“Whither the Independent Left?” **The Thinker**, May 2009)*

There are at least two things to note about these belated concessions. In the first place, the Polokwane rupture in the ANC, the ANC’s major electoral victory in April 22, and a new climate of openness within our movement and beyond have provoked (for the moment) an ideological crisis, not just amongst some sections of the reformist centre, but also amongst the sectarian left. They needed a “1996 class project” to dominate the ANC in order to justify their rejection of Alliance politics...and now the project is defeated they are disoriented. Secondly, note how Harvey, while alluding to a national democratic struggle, is still unable to conceptualise the nationalism of the oppressed in Leninist terms – i.e. he still understands this reality as something primeval and disconnected from “class rationality.”

It might be pointless devoting too much time and energy to a closer examination of left sectarian dynamics, except for two considerations:

- Left sectarian ideas (as Lenin noted) are typically a spontaneous back-lash response when reformist opportunism comes to dominate popular organisations (as happened post-1996 with the ANC). In these conditions they can also have a resonance within mainstream left-formations, including the SACP’s own ranks. The relative defeat of the “1996 class project” has (as we have just noted) had an impact also on the coherence of many left sectarian circles. But we should remember that the defeat of centrist reformism is only a relative defeat, and, besides, there are OTHER versions of it struggling to capture the ANC and to fill the void left by the marginalisation of the Mbeki-ites. In short, the soil in which left-sectarianism flourishes has certainly not disappeared forever.
- In these conditions, and with the renewed upsurge of popular protest on the ground, we can anticipate a minor re-grouping of left sectarian currents. They will celebrate (and play an entryist game within) the current popular “township delivery” protests. But, because of their rejectionist tendencies in regard to the present “bourgeois” state, and the ANC alliance, they will be unable to effectively develop a radical politics of transformation that is both MASS-DRIVEN and STATE-LED. This will contribute to the already present danger of ghetto-isation of popular mobilisation, and an inability to project working class and popular power in a sustained way beyond the confines of dormitory townships. In turn, this will promote a redistributive (as opposed to transformative) politics in practice (if not in rhetoric). In turn, this will lead to inevitable local factionalism as poor communities and households compete amongst each other for scarce “redistributed” resources. This, in turn, will reproduce the “organisational sectoralism and disjointed resistance struggles” of the sectarian left that McKinley concedes to, without being able to explain WHY this tendency to factionalism is so endemic in his circles.

However, it is not the sectarian left, but the **reformist centre** within and beyond our own movement that constitutes the major ideological blockage to the consolidation of a consistent and clear left politics in the present conjuncture.

The politics of working class hegemony...versus the politics of a multi-class balancing act

The essence of reformist centrism in our present conjuncture is the attempt to disqualify the struggle for working class hegemony in the state and society by seeking, variously, to present such a struggle as:

- “Undermining constitutional stability and national reconciliation”;
- “Compromising the imperative of economic recovery in the midst of a global recession”; and
- “Misunderstanding the multi-class character of the ANC”, and therefore disrupting its unity.

The first argument tends to be put forward by liberal forces outside of the ranks of our movement (Alistair Sparks, Moeletsi Mbeki, Ivor Fallon, etc.). They do this by deliberately conflating the important difference between the left and a narrow (right-wing) demagogic Africanist tendency within the movement. They seek to paint all of us with the same brush – “hot-headed radicals”, “populist leftists”, etc.

Alternatively, the working class hegemonic struggle is portrayed as a “discredited”, “state-centred” politics that disappeared from the agenda with the collapse of the Berlin Wall.

By contrast with our supposed divisive factionalism, reformist centrism (both within and beyond our movement) advances a vision of “class peace”, of a “multi-class accord”, to be achieved by way of a “balancing” act of the political and economic interests of different classes. This is why, when our general secretary, quite truthfully says that the implementation of the National Health Insurance will require a class “war” – there is such an outcry of horror from some quarters (see Max du Preez, for instance). These kinds of truths are not meant to be spoken out aloud in polite society.

A more sophisticated version of essentially disqualifying a working class hegemonic struggle in key sites of power can be found in the Dinokeng Scenarios (prepared in the run-up to the elections, but eventually published in May 2009 in their immediate aftermath). The following is a brief summary (by one of the key coordinators of the project) of the three possible scenarios of what SA might look like in 2020:

*“The first scenario, **Walk Apart**, depicts a story of a weakening state and social coherence that unravels into unrest and leads to disintegration and decline.*

*“The second scenario, **Walk Behind**, depicts a story of a strong state that intervenes in the economy and society...The ruling party argues that strong state intervention in the economy is in accordance with global trends, and the electorate, concerned about the impact of the global economic crisis, gives the ruling party a powerful mandate. Strong state intervention crowds out private initiative by business and civil society...but breeds dependency and*

complacency among the citizenry, leading to disengagement and declining investment and a debt crisis.

*“The third scenario, **Walk Together**, narrates the story of an actively engaged citizenry that holds government accountable and a responsive state that leads to cooperative governance and social compacts...It entails a common national vision that cuts across economic self-interest in the short-term.”*

Three things to note:

1. Clearly, as with most scenario exercises, this is not what it purports to be - a relatively neutral list of things that might happen. It is a **political** argument in favour of one “scenario”, as opposed to two other “bad” scenarios.
2. The scenario format has a habit of making certain things seem mutually exclusive. In this case, critically, the possibility of a strong state that is active in the economy and society, but which is also highly participatory in character, drawing its strength in part precisely from popular power (as, for instance, in Cuba) is rendered “unthinkable”. **And yet this IS precisely at the heart of the SACP’s MTV perspective.**
3. Although, clearly, the SACP is in favour of many of the things promoted in scenario three (active citizenship, an accountable and responsive state, etc.) – notice how, in the Dinokeng scenario, these potentially progressive themes are captured (i.e. hegemonised) by an essentially liberal politics of “checks and balances” precisely because “accountability” and “responsiveness” are divorced from a politics of mass- and particularly working class-driven, state-led radical transformation.

This last observation brings us to the KEY point of this discussion document:

Towards a politics of mass-driven, state-led radical TRANSFORMATION on the terrain of a National Democratic Revolution

The sectarian left in our country is basically in denial that capitalism’s hegemony continues to be secured in South Africa fundamentally through the reproduction of RACIALISED inequality (i.e. through persisting, essentially market-driven, national oppression). For this reason they alternatively label the strategy of an NDR as “bourgeois” or “Stalinist” (in fact, it was Lenin who was the key theorist in elaborating the critical connection between the internationalist working class struggle and the democratic struggle of oppressed nationalities).

The obvious fact of a continued radical African nationalism amongst the majority of South Africa’s working class and poor is simply dismissed by the sectarian left as “false consciousness”, “populist manipulation”, etc. In other words, they treat these matters as if they were essentially **subjective** in character, and the sectarian left is, consequently, unable to develop a **systemic** analysis of our reality. For that reason, they are unable to develop a coherent strategic programme of action, or a coherent organisational approach, to address systemic transformation. Likewise, their critiques of the SACP, COSATU and the ANC quickly become reduced to the **subjective** –

everything is “explained” by the “venality”, “career ambitions” and propensity to “sell out” by the leadership. (Needless to say, their internecine squabbles among themselves also take on the same features of an endless trading of personalised insults).

(Note how the re-nascent populist/Africanist tendency in our movement is also largely focused on the **subjective** aspect of matters – in this case they are already (!) trying to open up campaigns and a public debate around who should succeed whom in ANC and governmental leadership – years ahead of time. As if the real political challenges of our time - the implementing of our manifesto commitments or dealing with a global crisis were mere side-shows.)

For their part, the more pro-capitalist centrist reformists (like the above populist tendency) in our broad movement ranks (and beyond) are unable to explain why 15 years after the defeat of apartheid our society continues to reproduce obscene levels of racialised inequality. They are unable to explain why, after more than a decade of economic growth, including some five years of an unprecedented global commodity boom benefiting our key exports, we only succeeded in bringing down unemployment to the crisis levels at which they had been when we started out in 1994 (above 20%). These are levels which are now, of course, soaring upwards once more – with nearly half a million jobs officially lost in the first half of this year.

The most common explanation for continuing social crises, from the centrist-reformers, focuses on “service delivery” failure, and “capacity” problems in the state. There are, certainly, serious capacity problems in the state – but note how the explanations are once more **subjective** in character – i.e. they avoid considering the **systemic** (i.e. capitalist) features underpinning the crisis in townships, for instance. As a result, the solutions offered tend to be entirely focused on the important (but only partial) questions of personal **morality** in the public sector and on top-down monitoring and **performance management** (in this respect, picking up central managerialist themes espoused by the “1996 class project”).

In the first place, the “failures of service delivery” argument ignores the truly **massive** “delivery” that has actually happened on many fronts since 1994 – 13 million social grants, 3,1million subsidised houses (2,7 million of them free), access for 88% of the population to running water (up from 62% in 1996); 80% of the population now with access to electricity (up from 58% in 1996). By international standards, these are extremely impressive achievements. However, at best, this massive “delivery” has ameliorated but not transformed the key structural realities that continue to reproduce crisis-levels of underdevelopment in SA.

What presents itself as a “service delivery” or “capacity” problem in a township, for instance, typically has much more profound **systemic** capitalist accumulation path underpinnings. Most “service delivery” and “capacity” problems manifest themselves in vast dormitory townships and informal settlements miles away from major public amenities, work, and leisure opportunities. These localities are typically bursting at the seams, with tens of thousands of rural new comers, and thousands more economic refugees from throughout sub-Saharan Africa. Unemployment levels are often at crisis point (60% and more), scarce resources are often controlled by shack-lords, taxi warlords, etc. Many of these localities are bearing the brunt of the HIV/AIDS

pandemic. Popular energies are often consumed in atomised competition to get onto a housing queue, to monopolise the spaza shop trading opportunities in a small neighbourhood, to control a taxi rank, or to be friends with someone who has a hand-to-mouth SMME tender for some minor sub-contracted municipal service. Municipal budgets are under-resourced, and key planning decisions are often taken far-away by other spheres of government. In the face of all of these challenges, many township-based ward councillors feel completely disempowered. Typically, they might begin by making commitments and trying their best, but within a year or so of taking up office they have given up and do their best to avoid the community.

Meanwhile, in many cases, while these are the pressure-cooker realities confronting townships, the strategic agendas of many of our metro councils have, for instance, been dominated by a neo-liberal focus on being “world class cities” (i.e. on behalf of the “world class” of multi-national globetrotters) – each with its own international convention centre, wealthy enclaves, and exclusive shopping malls “twinned” to their global counterparts, while cut loose from and in denial about their own working class satellite townships and rural hinterlands.

FW De Klerk and the apartheid-era architects of the defeated Black Local Authority scheme must be smiling. Their dream of allowing urban Africans to play at democracy within their dormitory townships, while getting under-resourced “elected” BLA councillors to bear the brunt of popular pressure, is being re-enacted, despite our best intentions.

While some township-based ward councillors might be more effective than others, it is little wonder that nearly all of them are now the objects of popular condemnation. But it is doubtful whether the combined “capacity” of Vladimir Lenin and Mother Theresa would be able to make much “delivery” headway in ghetto situations like these...WITHOUT RE-LOCATING THE KEY CHALLENGES INTO A BROADER STRUGGLE TO TRANSFORM THE CLASS POWER THAT CONTINUES TO REPRODUCE RACIALISED, PRESSURE-COOKER ENCLAVES IN CRISIS, ON THE ONE HAND, AND WEALTHY (AND PARTIALLY DE-RACIALISED) ENCLAVES OF POWER AND PRIVILEGE, ON THE OTHER.

Four key systemic realities that require radical transformation

There are at least four key (and mutually reinforcing) systemic realities within our post-1994 democracy that continue, daily, to reproduce capitalist power and racialised, working class and broader popular poverty and marginalisation:

First - our economic growth trajectory

Our growth trajectory which remains locked largely into the same, century-long trajectory, previously associated with white minority rule (CST). Over the last several years, the SACP has devoted considerable attention to this matter – characterising the growth path as:

- i. Excessively primary commodity export dependent
- ii. Excessively dependent on luxury and capital goods imports

- iii. Which, taken together, have reproduced a weak national (and regional) market; and
- iv. An underdeveloped light manufacturing sector.
- v. It is a growth path that has been (and remains) dominated by very high levels of monopoly concentration and collusion– in the mining, financial, energy, chemical, agro-processing, steel and construction sectors amongst others.
- vi. Monopoly dominance has often crippled medium and small enterprise development in the manufacturing, small farming and food processing sectors - all labour intensive in potential.
- vii. The growth path has also become increasingly capital intensive to the detriment of labour intensity;
- viii. It has relied on a narrow band of artisanal skills (historically white), and has neglected systematic skilling on a broader basis
- ix. And our growth path has had a predatory (sub-imperialist) relationship to our wider region – further undermining balanced development and a wider regional market.

Programmatically the SACP has consistently proposed – over the past decade and more – that the radical transformation of this systemic reality requires, amongst other things:

- i. A state-led industrial policy programme that prioritises job creation;*
- ii. The alignment of trade policy to our industrial policy, with the latter playing the lead role;*
- iii. The alignment of macro-economic policies to a new developmental growth path*
- iv. An effective state planning capacity;*
- v. The strategic deployment and coordination of SOEs and DFIs to advance a different developmental growth path, with a particular focus on infrastructure investment;*
- vi. The progressive transformation of the critical financial sector – to ensure developmental investment*

Second – Education and Training

15 years into our post-apartheid democracy we have become increasingly aware that the FORMAL creation of a single educational dispensation masks the material reality of a highly unequal and inequitable system that actively reproduces enormous race, class, and (to some extent) gendered inequalities. While most of our children go to school within the same formal system, the quality of education, the prospects of getting into tertiary education, or of obtaining future employment, even the chances of getting any extra-curricular sporting or cultural activity hinge on WHERE you go to school, which, in turn depends on where you live (see below) and WHAT you can afford. Similar realities apply to tertiary level education and FET – if you are black and of working class origins and you make it to the tertiary level by some miracle, you still face huge race and class barriers.

One study commissioned by the Ford Foundation revealed that of the 6,8 million 18-24 year-olds in South Africa in 2007, 2,8 million of these were neither in an

educational institution, nor in employment or training. This is a huge wastage of the resources and energy of our youth and a ticking time bomb.

The SACP and YCL, together with our Alliance and MDM partners and with the new government administration, have succeeded in making the radical transformation of education and training one of five key priority pillars. Programmatically this requires, amongst other things:

- a) Intensified effort towards strengthening and expanding early childhood development and Grade R*
- b) The need to increase post-school options for our youth*
- c) Revamping a diversified college sector*
- d) Intensification of adult education and training, including work-place training*
- e) Increased access to and success in higher education*
- f) The training and upgrading of teaching professionals, and the revitalisation of teacher training colleges.*

As with the other key sites of systemic reproduction of deep-seated inequality, radical transformation of the education sector can only occur through a combination of mass-driven and state-led activism – with organised labour and communities playing a leading role.

Third – the spatial reproduction of racialised (and class and gendered) underdevelopment and inequality

Just as with education, where the FORMAL establishment of a unitary system disguises the ACTUALITY of a highly unequal reality – so with the geographical/spatial features of our post-apartheid SA. Formally, we now have a unitary SA and a single citizenship where we all have rights of free mobility and access. We have formally abolished group areas, ethnic zoning, influx control, labour preference areas, curfews and Bantustans. But what was once actively planned by apartheid’s architects to control the location and mobility of the black majority is now perpetuated on “automatic pilot”:

- i. By the capitalist land and housing market, by speculative property development dominating town-“planning”, and by the power of big capital and suburban elites to influence the nature of “development” (eg. over-investment in car-biased, suburban-oriented freeway engineering projects and shopping malls to the detriment of mass transit, public transport infrastructure and mixed income housing and mixed-use settlement patterns).
- ii. By the neo-liberal “global city” paradigm that has dominated administrations in many of our cities – over-emphasising tourism and global connectivity, international conference centres and the hosting of global events to the relative detriment of transforming the lives of the majority of actual metro-citizens.
- iii. By the skewed infrastructure grid (water, roads, rail, energy, IT), directed towards serving the interests of enclaves of privilege and the water, energy and freight logistic needs of monopoly capital, “lowering the costs to doing business...for business” (eg. the provision of 25-year cheap electricity contracts to multi-national aluminium corporations; or over-investment in airports and mineral export rail-lines to the detriment of rural branch lines).

- iv. By “communal” land ownership dominated by conservative patriarchal “traditional” leadership, in which nominal citizens are reduced to the status of “traditional subjects”, with a particularly discriminatory impact on rural women.
- v. By the failures of our “willing-seller, willing-buyer” land reform programme – and the general failure to take seriously rural development based on small family and cooperative holdings.
- vi. By the liberalisation of commercial agriculture under the domination of agro-processing and retail monopolies, and the consequent demise of small scale (albeit largely white-owned but labour intensive) family farms, and the related mass evictions from farms, the demise of rural towns and local economies;
- vii. By the perpetuation of dormitory (and informal) township settlement patterns, distant from work, and from quality educational and major public service resources. The 3.1 million RDP houses we have built over the past 15 years have unintentionally reinforced the reproduction of this spatial inequality.

The combined impact of all of these spatial factors (many of which have been accelerated in the post-1994 period) have compounded and entrenched monopoly capital’s hegemony in our country, while reproducing systemic spatial (and still excessively RACIALISED) inequality. Exorbitant land and property prices in favourable localities, for instance, are much more prohibitive barriers to entry for the largely black urban and rural working class and poor than any apartheid-era pass-office functionary.

The continued post-1994 reproduction of the dormitory township and dormitory rural reserve settlement pattern lies at the heart of many grave challenges. These perpetuated spatial realities play an active role in locking the majority of our people into overcrowded and under-resourced public services (schools, colleges, clinics, infrastructure).

They also place a huge mobility and access burden, in terms of time, personal security and money, on the working class and poor (and especially women) as they seek to access education or work. Our ANC election manifesto commits to ensuring that no household spends more than 10% of income on transport. But, currently 30% of households (the poorest, of course) are spending 11% and more, and of these more than half (18% of total households) are spending more than 20% of income on public transport to work. To add injury to insult this public transport is typically unreliable and unsafe. Elsewhere, the families of workers and the rural poor simply have no access to public transport at all. In a rural province like KZN nearly 15% of all learners (and we can assume that they are almost all poor and black) spend more than an hour-and-a-half walking to school and back, further compounding the many other disadvantages they confront.

So what is to be done to democratise (and de-racialise) our spatial economy?

Writing in 1872 on the failure of capitalism to solve the housing crisis of the working class – even in England, the most developed capitalist economy of the day - Frederick Engels notes:

“On its own admission, therefore, the bourgeois [philanthropic] solution of the housing question has come to grief – it has come to grief owing to the antithesis of town and country. And with this we have arrived at the kernel of

*the problem. The housing question can only be solved when society has been sufficiently transformed for a start to be made **towards abolishing the antithesis between town and country**, which has been brought to an extreme point by present-day capitalist society. Far from being able to abolish this antithesis, capitalist society on the contrary is compelled to intensify it day by day.”* (Engels, “*The Housing Question*”).

What Engels is underlining here is the imperative of a **systematic transformation** of the capitalist economy, without which various well-intentioned, sectoral reform measures inevitably come to grief. Our own post-1994 low-cost housing programme is a case in point. We started out with a housing unit backlog of some 3 million (this is the 1994 **Reconstruction and Development Programme** estimate – see para.2.5.1, p.22). 15 years later, incredibly, we have actually built 3.1 million subsidised houses for the poor, 2,7million of them free. Yet, the housing backlog remains more or less where it was when we began, and the crisis of overcrowding, of backyard shacks and informal settlements has increased. Why? The RDP housing programme in the absence of an effective and aggressive agrarian development and land reform programme (not to mention the collapse of agrarian economies throughout most of sub-Saharan Africa) has simply acted as a magnet, drawing millions of economic refugees from untransformed rural areas in distress.

We cannot address the housing problem without addressing the “antithesis between town and country”.

In fact, we can take this further. We cannot address the crisis in the former Bantustan areas without simultaneously addressing the antithesis between the “white” countryside and these former reserve areas. We cannot address the crisis in the “white” countryside without addressing the antithesis between it and monopoly (including multi-national) capital. We cannot address the township crisis without simultaneously addressing the rural question AND the antithesis between marginalized dormitory townships and the larger cities and towns of which they are satellites. We cannot address the crisis in our towns and cities, without addressing the antithesis between the social needs of the majority of their inhabitants and the “world class city” logic of global capitalism.

Following resolutions of the ANC national conference (and proposals made by the SACP), the new government has made some initial progress in seeking to address many of these problems through the **reconfiguration** of ministries and departments, and through a continued commitment to a major **state-led infrastructure programme**. In particular we can single out:

- The dedicated attention to **rural development** (one of five key priorities in our election manifesto), and the establishment of a new **Department of Rural Development**;
- The re-naming of the old Housing Department as the **Human Settlement Department** – hopefully to underline the point that we are seeking to approach the built environment in a more integrated way than simply as the “delivery” of rows and rows of low cost houses that bear an uncanny resemblance to the matchbox houses formerly delivered by the apartheid regime;

- The establishment of a **planning ministry** with a key mandate to consider the “**spatial economy**” – and the commitment to review the neo-liberal National Spatial Development Perspective document.

However, the danger still exists that rural development will be approached as a largely ex-Bantustan affair, in isolation from the overall transformation of all of our rural areas, and of the relationship between rural and urban. Likewise, the danger exists that human settlements will be seen as essentially a township matter in isolation from the overall democratisation of space and mobility in our towns and cities.

Programmatically (in order to radically transform the systemic features of our spatial reality) we need to:

- i. *Ensure a working class hegemony over the process of an accelerated and integrated rural development process*
- ii. *Actively engage with the review of the future of provinces and local government, to ensure that the capacity to radically transform/democratise our spatial realities is enhanced;*
- iii. *Ensure that a key mandate of the Planning Commission is the strategic planning for and monitoring of the democratisation of space and mobility*
- iv. *Use the new Human Settlements Department to ensure that we move away from dormitory townships and suburban sprawl to a more democratic development of mixed income, mixed use and, where relevant, medium density built environments across our towns and cities.*
- v. *Promote public transport as a catalyser for spatial democratisation and transformation, and reclaim public control and regulation over urban infrastructure (including routes and ranks)*
- vi. *Ban the sale of publicly-owned land to property speculators and use much more aggressively property rates, local business taxes and other fiscal means to ensure better cross-subsidisation of municipal public services – including public transport infrastructure and operations.*
- vii. *Ensure that we implement radical municipal legislation that calls for participatory planning and budgeting;*
- viii. *Mobilise popular forces in favour of the above issues, and connect local protests (eg. around housing, land, public services, transport) to a broader transformational agenda so that the wider politics of the built environment become campaign issues –rather than simply focusing on “delivery” into “townships”.*
- ix. *Ensure that our state-led R787bn infrastructure programme contributes to the democratisation of space – rather than reinforcing current spatial inequalities through misallocation of excessive resources to serving the current capitalist accumulation path and its key enclaves.*

Fourth – the Radical Transformation of Health-Care

Racial, class and gendered inequality are also massively reproduced in SA by a “two-tier” health-care system. On the one hand there is a private health-care system that uses 60% of financial and medical personnel resources, but services a mere 14% of our population (basically those with Medical Aids). On the other hand, we have an under-funded, and over-whelmed public health system, further burdened by the HIV/AIDS and TB pandemics.

The ANC-led alliance over the past year has begun to place this radical transformation challenge clearly on the agenda with the commitment to rolling out a National Health Insurance (NHI) system. The SACP fully supports this move which will mark a significant step in the direction of basing health-care provision (as the ANC NEC NHI briefing document puts it) “on the basis of from each according to their ability (to pay), to each according to their need” – in other words it will mark a major step in the direction of decommodifying (i.e. socialising) health-care.

To achieve an NHI will require a major class struggle, there are massively funded private corporate interests that have already begun to unleash an anti-NHI campaign. Ensuring that there is the determination and capacity in the state to go ahead with the process of rolling out an NHI will need reinforcement through popular struggle – on the ideological and practical fronts. Health-care workers and professionals will need to play an active role.

Here, too, it is obvious that a centrist reformist position is liable to prevaricate and back down in the face of opposition and explore, instead, the impossible dream of “improving” the public health-care system while leaving the dominant private health-care market largely intact.

In this struggle it needs to be constantly pointed out that it is not just the public health-care system that is battling – the number of South Africans covered by medical aids is now 14% down from 25% in 1994. And with rising medical aid costs, even those who are covered are increasingly finding out that they have used up their benefits long before the end of the year. This is why we say that it is the totality of the health-care reality (public AND private) that needs to be rescued and transformed.

In the struggle to transform the health-care system and advance towards the implementation of an NHI, the SACP will also be taking up all of the issues we have raised in our Red October campaigns:

- *The defence of the public health-care system, including the struggle to reverse the contracting out of key services;*
- *The proper compensation of workers in the sector, and vigilance by workers in the sector against victimisation and corruption by senior management;*
- *Active community participation in hospital boards and other participatory structure.*

All four of these critical sites of radical transformation (the economic growth path, education, our spatial economy, and health-care) require a COMBINATION of state-led capacity and resourcing AND working class and popular mobilisation. It will require the progressive assertion of working class hegemony in all key sites of power in our society – the state, the economy, the ideological front, and in social sectors and communities.

Neither a centrist-reform agenda with its emphasis on piece-meal, ameliorative redistribution and “delivery”, striking a “balance” between all classes and sectoral interests, nor a left sectarian position which sees opposition to the present state as the key priority - is capable of providing the strategic, ideological and organisational

impetus to address the key revolutionary tasks that confront us in the current context. It is precisely here that the SACP has a major responsibility.

In combating the influence of centrist-reformism (possibly still the dominant if temporarily disorganised ideology within the ANC-led movement), it is important that the SACP advances a politics of working class HEGEMONY in all sites of power...not least in the state.

The struggle for working class hegemony in the state

Over the last several years, and largely in opposition to neo-liberal demands for a “lean and mean” state, the SACP and the broader ANC-led movement have been advancing the perspective of a “**developmental state**”. This perspective (however diversely understood) has gained currency within the ANC and within government itself. Amongst other things, the advocacy of a “developmental state” helped to buttress resistance to the late-1990s attempt to drive large-scale privatisation of our key state owned enterprises.

At its 2005 National General Council, the ANC adopted an important resolution on the developmental state which noted two key features of the state that we should seek to build in South Africa. In the first place (and in common with “developmental” states in East Asia like South Korea), the ANC resolution called for a state that had the capacity and will to actively intervene in the economy to shape and lead an industrial policy, in particular. But, secondly, the ANC resolution called for a **democratic** developmental state that helped to empower popular mobilisation and organisation, and that was defended, in turn, by mobilised popular forces, notably the working class and poor. The resolution noted, specifically, that in many other developmental states, the privileged axis was between the upper layers of the state bureaucracy and domestic capital. In our situation the key axis, it asserted, needed to be between the state and popular power.

Clearly, this perspective is one supported by the SACP. Equally clearly, it is a perspective that remains largely **aspirational**. To speak of the South African state as “developmental” is, for the moment, more a description of what we want, than a description of what exists. The struggle for working class hegemony in the state is a struggle for a **democratic developmental state** that supports and is supported by popular mass forces.

In the present context, the key challenges in the struggle for working class hegemony over the state lie:

- In the struggle to introduce a **progressive, strategic discipline across all three spheres of government, and across the proliferation of parastatal entities** (SOEs, public utilities, agencies, developmental finance institutions, regulators, etc.); and
- In an intensified **political** (and not just moral) class struggle against **corruption and related phenomena like patronage networks** in the public sector, and between the public and private sectors.

These two priorities of working class struggle within the state are organically linked. One of the critical terrains for building a radical, working-class led developmental state is that of exposing and seeking to roll back and disrupt the intersection between the holding of public office and business interests, and to defeat the corrupting influence that this has had, and continues to have, on our movement as a whole.

Some of the key manifestations of the impact of the intersection between public office and business interests in the post-1994 state include the following:

- The extensive corporatisation of the state;
- The “tenderisation” of the state procurement processes; and
- The consequent emergence of “tenderpreneurs” – including the use of incumbency in particular positions in the state to “throw the javelin” (i.e. to “throw” public resources into a network of friends, family and other connections so that a comfortable personal transit can be made from the public sector to the private – where the “javelin”, or at least a share of it, can then be personally retrieved).

The corporatisation of the state

In the wake of the defeat of the late 1990s privatisation drive, the “1996 class project” never gave up on the objective of strengthening the hegemony of capital over our new democratic state through strengthening the organic links between a new political elite and big capital.

This included:

- The intensive **corporatisation** of state-owned enterprises through strengthening the power of boards and restructuring the relationship between government and these entities, which increasingly operated as private companies and sites for accumulation on behalf of capital in general and specifically an emerging BEE capitalist stratum. In the course of which the SOEs often failed to respond to the strategic developmental mandate of government;
- The related “**agentification**” of the state, with an increasing proliferation of “public” autonomous agencies, including economic, technical and safety regulators, normally hived off from departments, also with their own boards, executives, and “corporate” headquarters.

Government departments are often turned into beggars at the doors of the boards of SOEs and agencies. The boards, in turn, often hide behind their “fiduciary duties” in order to ignore or deliberately undermine departmental directives. Of course, we are not arguing that public agencies, where they exist, should be lavish or populist with their spending. Clearly fiduciary duties are important, especially where public money is involved. But, quite often, behind the smokescreen of “autonomy” and “fiduciary duty”, what we have seen is lavish expenditure, the absence of clear developmental priorities, and self-enrichment.

These tendencies are accelerated by the fact that the boards of these entities are typically populated by business and especially BEE types, with active marginalisation

of representatives from NGOs, trade unions, and communities. What is more, while there has been an increase in the number of “public” agencies, there is often a small and relatively restricted coterie of business and BEE personalities who circulate between boards, or who occupy several – and in some cases dozens - of boards both public and private simultaneously.

Also typically embedded in the operations of these institutions (and indeed of many line departments) is a web of private consultants and “service” providers who also tend to bring a thoroughly capitalist ethos into what is nominally a “public” sector.

These processes of corporatisation and “agentification”, and all of the accompanying negative tendencies, have not just occurred at the national level. In many cases, they are often more numerous and more problematic in the provincial sphere of governance.

The outcome of this is that there are multiple centres of power, with no clear overarching co-ordinating strategy, whether at national or provincial level. It is important, as we discuss the question of building working class hegemony on a terrain of the national democratic revolution, to analyse the implications of these multiple centres of (class) power. In these entities there are billions of rands worth of state resources.

We are not arguing that a quasi-corporate character for our major SOEs is necessarily always to be rejected. One argument for such a corporate “persona” is that it enables public entities like Transnet, Eskom and ACSA to raise off-budget funding on the private (and often international) money markets. At a time when we are seeking to sustain our R787 million infrastructure spend, while dealing with a recession and significantly diminished tax returns (the current tax shortfall is estimated to be R23 billion), the ability to raise off-budget capital at reasonably favourable rates to sustain our developmental agenda is not an insignificant consideration.

Likewise, we need to assess the actual performance of many agencies. For example, the Air Traffic Navigational Services (ATNS), by functioning as a public agency, has been able to focus on its critical public responsibilities (professional air traffic control services AND the training of air traffic controllers – not just from SA, but from throughout Africa and the Middle East). As an agency it has been able to operate with a clearer strategic focus and a higher level of professionalism in a technically demanding area than might have been the case were it locked into the sometimes cumbersome bureaucracy of a line department.

However, notwithstanding these observations, the SACP needs to open up an urgent discussion within our movement and within government, with the following issues being highlighted:

- *The need to conduct a comprehensive audit and evaluation of the numerous “public” entities – including SOEs, public utilities, DFIs and agencies in all spheres of government. Collectively and independently are they advancing our developmental agenda? Are all of them fulfilling an effective role? Do they all have clear mandates? Can we consolidate many of them?*

- *Is the governance model – typically an “independent board” – appropriate? How do we ensure better alignment between government strategic priorities and the culture and assumptions of parastatal boards?*
- *If a board type structure is appropriate in some cases, is it appropriate in all cases? For example, do public utilities (eg. essentially non-profit making entities, reliant on public subsidies, like Metrorail, as opposed to an SOE like ACSA) need a board? Even more pertinently, do safety regulators (eg. SA Maritime Safety Agency, or the Civil Aviation Authority) require corporate “boards” often dominated by business interests?*
- *Is the Public Finance Management Act (PFMA) assisting, or undermining, our endeavour to ensure a developmental strategic discipline across the parastatal sector? To what extent does the PFMA hijack public entities into a misguided profit-maximising agenda?*
- *What is our experience with economic regulators (eg. NERSA, National Ports Regulator, ICASA)? Do they help to ensure a coherent strategic developmental agenda, or do they undermine it?*
- *What are the respective roles of DPE, line departments, and sector regulators? What, if anything, can be improved?*
- *How do we use the Planning and Monitoring and Evaluation functions in the Presidency to instil greater coordination and a progressive strategic discipline across the state and parastatal sector?*

Corrupting the state and our movement

Corporatisation in itself does not equal corruption, but it opens up huge potential spaces for corruption, especially given the increased intersection between government and business interests fostered by the 1996 class project. (This is an intersection that is now being deepened everywhere with the increasing dependency of national capital on national states for rescue packages, stimulus packages, buy-outs, etc., in the current global recession.)

The SACP needs to intensify the struggle against corruption, both inside and outside the state. Fighting corruption is not merely a moral crusade, important as the moral dimension in fighting corruption is. Fighting corruption must be a major and principled political struggle, not least in the present, based on the following considerations:

- It is not enough to expose corruption, it is also critical to transform the underlying structural conditions that produce and reproduce it;
- In the recent past, it has been proceeds from corrupt practices, or at the very least from the problematic abuse of public office, that have found their way into the war-chests of competing factions within our movement.

The key task of the SACP and the working class as a whole is to swiftly deal with the potential for new tendencies to emerge within the state and broader movement. The

organised working class, particularly but not exclusively in the public and parastatal sector, has a crucial role to play in exercising vigilance against corrupt practices, whether at the senior management level or in the lower echelons. Already there are important examples of this role – see, for instance, SATAWU’s key role in recently exposing senior executive malpractice in SAA.

Private business interests, the state and the dangers of a “new anti-left tendency”

The relative defeat of the “1996 class project” and the restoration within our movement of a new climate of openness has, as we have noted in earlier sections of this paper, created a favourable situation for the left to advance its perspectives within the movement and within government. What is more, given the global capitalist crisis, and given the paradox of our own 15 years of democracy in which, despite massive reformist “delivery”, the systemic transformation of SA has not occurred – it is only really the left that is able to provide a coherent analysis and a coherent programmatic perspective on the way forward. Many comrades within the broad movement increasingly recognise and appreciate this fact.

However, it would be surprising if everyone were happy with this reality. A left perspective and programme of action – the struggle against corruption not just in moralising words, but in actually addressing the systemic features that facilitate corruption – will be threatening to certain class interests and personal ambitions within our movement. We can, therefore, expect the emergence of new anti-left tendencies. Already there are straws in the wind, early signs of such tendencies, including the apparent inverse of the “1996 class project” - put schematically, the “1996 class project” actively used newly acquired access to state power to leverage a “slice of the cake” in business (in exchange for opening up possibilities for accumulation for established capital). While the relative marginalisation of the “1996 class project” may have sidelined some of this activity for the present, there are some signs of an emergent “new *tendency*” in our movement in which the inverse begins to happen – previously accumulated BEE capital is now used to try to capture both our movement and the state.

For the moment, what we are referring to as a potential “new tendency” lacks the relative ideological and organisational coherence of the former “1996 class project”. Various ideological kites are being flown nonetheless – including an appeal to a more narrow “Africanist” ideology in which, for instance, there is an attempt to turn our long-established movement commitment to understanding the core **national motive forces of the revolution** to be “blacks in general and Africans in particular” into a guideline, not for mass-based organisational and mobilisational priorities, but for entitlement and leadership contests. While bearing some resemblance to the rather more abstract but elaborate “African renaissance” theme advanced as a key pillar of the “1996 class project”, this new (or rather re-invented) strain of Africanism lacks any theoretical substance and is a rather brazen instrument for deployment and succession battles.

None of this should surprise us. As we noted earlier, the front of forces mobilised against the “1996 class project” in the run-up to Polokwane included a diversity of tendencies, some of which did not have any principled or ideological difference with the “1996 class project”. For these, Polokwane was just the clash between two

competing emerging capitalist class fractions, sharing the same accumulation and anti-working class agenda.

The new elitist tendency within our movement does not seek to abolish the (class) instruments and power built by the 1996 class project in both our movement and state, but seeks to lay its hands on these instruments to advance its own factional class interests. It must be nipped in the bud.

Transforming the criminal justice and military components of the state

In this paper, we will not dwell on the critical challenge of building working class hegemony in other key sites of the state like the critical criminal justice and military components of the state.

Suffice it to say that both the criminal justice sector and the military also suffer from the same general problems affecting the state in general. Some of these relate specifically to the factional abuse of state organs that proliferated during the period of the “1996 class project’s” dominance. Others relate to more general problems of a lack of transformation, the lack of strategic coherence, the loss of a professional and developmental ethos, and the corrosive impact of business interests on the sectors.

Once more, a combination of work within these sectors, and popular mobilisation and participation from without – through, for instance, community policing forums, street committees – is essential.

Strategic tasks confronting the SACP

Two important lessons regarding the role and responsibilities of the SACP emerge from our recent experience and from the positions advanced throughout this discussion paper.

One: Lessons from our September 2008 National Policy Conference – Looking back to our September 2008 National Policy Conference discussions and resolutions, it is possible to realise how influential the Conference has proved to be. Almost all of the key resolutions have been implemented or have been strongly embodied in the ANC’s election manifesto and government’s recently published Medium Term Strategic Framework. The ability of the Party to achieve this level of **strategic** impact has had much to do with our refusal, collectively, to be hi-jacked into a media-sponsored campaign to provoke a crisis within the Party around the **tactical** question of whether we should contest elections in our own right, or not. This is where the media was trying to drive us this time last year.

It is important to remember this, because, once again, the media (but obviously backed by other ideological interests) is seeking to turn our forthcoming Special National Conference into a divisive show-down around the same **tactical** electoral question, or a similar divisive show-down on the deployment of party leaders. No-one is arguing that either the tactical question of our electoral participation or the tactical question of leadership deployments is unimportant – but what we cannot allow (again as Lenin liked to remind comrades) is for every tactical question to be turned into a diversionary crisis within the Party that calls into question our strategic perspectives.

While not outlawing any debate or discussion, it is imperative that we do not allow the huge strategic possibilities and responsibilities of the Party (as outlined in this discussion document) to be drowned out and undermined by a lack of strategic focus at our Special National Conference in December.

Two: The struggle for working class hegemony and our multi-class movement – it is important that as communists we are clear that working class HEGEMONY doesn't mean working class exclusivity (still less party chauvinism). Working class hegemony means the ability of the working class to provide a consistent strategic leadership (politically, economically, socially, organisationally, morally – even culturally) to the widest range of social forces – in particular, to the wider working class itself, to the broader mass of urban and rural poor, to a wide range of middle strata, and in South African conditions, to many sectors of non-monopoly capital. Where it is not possible to win over individuals on the narrow basis of class interest, it can still be possible to win influence on the basis of intellectual and moral integrity (compare, for instance, our consistent ability, particularly as the Party, to mobilise over many decades a small minority of whites during the struggle against white minority rule). This kind of hegemonic ability is different from a “balancing” act, a “redistributive” programme so beloved by centrist reformism. It is not a question of striking deals with different classes – slicing up the cake.

It is a question of advancing a strategic, radical programme of transformation that increasingly makes sense and inspires the widest range of social forces in our society. Over the course of the past year-and-a-half, we have once more demonstrated to ourselves the role that the SACP can play, working together with its allies, in achieving key elements of such hegemony.

In short, the struggle for working class hegemony is not an alternative to the multi-class character of our national democratic struggle – on the contrary, it is the precondition for its successful advance, consolidation and defence.

**THROUGH A MASS-DRIVEN, STATE-LED PROGRAMME OF
RADICAL TRANSFORMATION - LET US BUILD WORKING
CLASS HEGEMONY IN ALL KEY SITES OF POWER!**