

# UMRABULO

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

## INTRODUCTION

The movement in its annual January 8 Statement, designated 1999 the "Year for the Renewal of the Democratic Mandate". During this year, we will celebrate 5 years of democratic rule for our people and our country. The statement emphasised the ongoing task to develop all our members to be the pride of the people and activists for the promotion of the interests of our people.

- In the last edition of **Umrabulo** (No. 5, 1998) we published one of the papers presented and discussed by the Alliance Summit in October last year. In this edition, include two other papers from the Alliance Summit, on the POA of the Alliance and the Current Global Economic Crisis and its Implications for SA,
- This edition of **Umrabulo** also focuses on some of the key tasks arising from the January 8 Statement. We include an interview on the Presidential Job Summit with comrade Alec Erwin, a member of the Economic Transformation Committee of the National Executive Committee and Minister of Trade and Industry.
- In the context of preparations for the general elections and our next term of office, we include a discussion paper on our Cadre Policy and Deployment Strategy, learning from the experiences of the past five years and looking ahead at the challenges facing us.

In the spirit of **Umrabulo**, we want this to be a journal of debate in the movement and the broad forces of transformation. The next edition will have a different format, allowing for responses to past editions of **Umrabulo** and providing sufficient space for debate.

# 1. Programme of Action of the Alliance

## UNITY IN ACTION

A discussion document on the Programme and Organisational  
Challenges facing the Tripartite Alliance  
October 1998

### Introduction

*"The relationship between the ANC and the SACP is not an accident of history, nor is it a natural or inevitable development. For, as we can see, similar relationships have not emerged in the course of liberation struggles in other parts of Africa... Ours is (therefore) not a paper alliance, created at conference tables and formalised through the signing of documents and representing only an agreement of leadership. **Our alliance is a living organism that has grown out of struggle. We have built it out of our separate and common experiences.**" [ANC President Comrade OR Tambo speech on the occasion of the 60th anniversary of the SACP in 1981]*

As we gather at this Summit of the Alliance, we should reflect on these words which still rings true, nearly two decades later. Delegates to the respective Conferences of the ANC, COSATU and the SACP were also mindful of the truth of these words, when through different resolutions we, as individual components of the Alliance, committed ourselves.

The ANC 50th Conference in December 1997 at Mafikeng committed the liberation movement to *"build and strengthen the Alliance at all levels, through a co-ordinated political programme around the current and concrete challenges of transformation of our society.. ."*

The 6th Congress of the COSATU in September 1997 said that *"together with the policy of maintaining the Alliance, the Federation needs a plan to revitalise the alliance Such a plan must entail ... developing a clear transformation programme for the Alliance."*

The 10th Congress of the SACP declared at its closing session in July 1998 that *"the precondition for ongoing national democratic transformation is a powerful, robust Tripartite Alliance, based on a common strategic programme, and rooted in a common working class constituency - the overwhelming majority of our people who continue to be the victims of the apartheid legacy."*

As the leadership of the Alliance gathered here today, our mandate is very clear. We must emerge from this Summit with a vision and programme of transformation, uniting our membership and our people inaction for the creation of a better life.

### History of the Alliance

The very purpose of the formation of the ANC in 1912, was to unite and mobilise the oppressed African majority in resistance against the political and constitutional Union of South Africa (1910), which had totally excluded the African people from its framework.

The strategic objective of this resistance was the establishment of a united, non-racial and democratic South Africa and until 1960 this objective was pursued through peaceful extra-parliamentary means.

During this period, the ANC forged fighting alliances with the progressive organisations of other national groups (the South African Indian Congress, the Coloured Peoples Organisation and the Congress of Democrats) with the organisations of the working class in the form of the Communist Party of South Africa (CPSA) and the trade union movement (from the ICU, the Black Mineworkers Union, through to the formation of SACTU in 1955). These formations became the basic Organisational components in the National Democratic Alliance, forged to ensure the mobilisation of our people in the struggle against Apartheid colonialism.



This Alliance recognised the leading role of the ANC which derived from the common acceptance that the central objective of the National Democratic Revolution is the emancipation of the African majority and black people in general. As the South African economy developed and with rapid urbanisation, recognition of the centrality of the African working class in particular and black workers in general to the struggle for national emancipation grew. The Alliance also united around a common vision of the type of society we seek to build, with the adoption of the Freedom Charter at the Congress of the People in 1956.

With the banning of the ANC and other organisations in 1960 (and the CPSA in 1950) methods of resistance by the national democratic alliance were characterised by the adoption of an approach which recognised four pillars of our struggle in the conduct of resistance. During the decades following the bannings, the Alliance between the ANC and the SACP (and SACTU) became predominant with the Indian Congresses, Coloured People's Organization and the Congress of Democrats becoming defunct - with members banned, on trial and integrated into the structures of the ANC, SACTU and the SACP.

The relationship with the progressive trade union movement over the decades took on different forms at each historical juncture from the days of the ICU and the Black Mineworkers Union towards its Organisational inclusion in the alliance through SACTU in the 1950's. The persecution of the political formations of the national liberation movement was accompanied by the suppression of all forms of other organisations of the oppressed, including the banning of trade union activities by black workers. Only after the 1973 Durban strike did the objective and subjective conditions exist for the re-establishment of the progressive trade union movement in the country.

Though the ANC, SACTU and the SACP had some influence in the evolution of this union movement through its underground structures, strands of the union movement evolved with little influence from the national liberation movement. The trade union unity talks culminating in the launch of the Congress of South African Trade Unions was hailed by the ANC in its January 8 statements in 1985 and 1986, as a process which should "harness the collective strength of the working class not only to improve their immediate economic conditions, but to bring about democratic change in our country," and therefore "to fashion the trade union Congress into (an) instrument of the working class and (of) national liberation." The perspective that COSATU need to go beyond bread and butter issues to embrace national and class struggle was formally endorsed when COSATU adopted the Freedom Charter in 1987.

With the unbanning of the ANC and SACP in 1990, the ANC's 49th Conference declared that in order for "all our people to act as a united force to achieve the common goal of a democratic society, we commit ourselves to the strengthening of the Tripartite alliance of the ANC, COSATU and the SACP." COSATU's 4th Congress in 1991 resolved to join the Alliance in the place of SACTU.

As the negotiations unfolded, the Alliance united in action in the two pronged strategy of talks and mass mobilisation of our people behind our negotiating positions. The Alliance furthermore embarked on a joint process of policy formulation to prepare for the eventual outcome of the negotiations - the establishment of a non-racial, united and democratic South Africa. The Alliance adopted the Reconstruction and Development Programme, which elaborated on the vision of the Freedom Charter.

The RDP formed the basis of our Electoral Platform and the electoral campaign we fought as an Alliance. Following our resounding victory in the 1994 elections, the ANC contingent deployed to lead the Government of National Unity, deliberately included all the components of the Alliance.

### **The Nature of the 1994 breakthrough**

The 1994 breakthrough meant that we have accomplished a *"qualitative element of the National Democratic Revolution."* 'Qualitative element of the NDR' is used guardedly, because the balance of forces at the time of negotiations, "...dictated that the path to the full transfer of power, let alone the strategic objective of a united, non-racial, non-sexist and democratic society, would be protracted and tortuous." Thus, "when the new government (GNU) was formed, the extra-parliamentary power of the



democratic movement was strategically complemented by the attainment of elements of state power. In this sense, it represented a strategic defeat for the forces of white minority rule."

Our achievements in 1994 therefore include a Constitution which provide us with a framework for implementing transformation, formal control of the state machinery, international support for our peaceful transition and our overwhelming electoral victory proved that the movement enjoys legitimacy far wider than its support base.

Because we did not achieve outright victory on the battlefield, our victory had a number of constraints. These include concessions such as the Government of National Unity, job security to the old apartheid public service, thus taking over an apartheid state which was intact and powers to provinces. Our transition also took place in the context of globalization, with the dominance of capitalism and a widening gap between rich and poor.

***We thus correctly concluded that we achieved only elements of power, though with great possibilities to use the new situation as a beach-head to fundamentally transform society.***

### **The Balance of Forces today**

A proper balance understanding of the balance of forces is critical in defining the strategy and tactics which the liberation alliance should adopt at each stage of transformation; in order not to fall victim to either voluntarism or defeatism. Objective circumstances are not carved in stone and any balance of forces is dynamic, influenced by changing internal and external factors. In order to present a perspective on a programme for the Alliance to shift the balance of forces in relation to the short and medium term challenges we face, we must therefore look (albeit in broad brush strokes) at the balance of forces as it evolved over the last four years (since 1994).

The national liberation movement has maintained the strategic initiative since 1994, manifested in the historical correctness of our approach to negotiations as a means to a more humane and peaceful resolution to the conflict in our country. Our transition despite the low-intensity war waged by the regime during negotiations and the attempts by the right-wing to disrupt the elections - once the Government of National Unity was inaugurated, was without any civil strife or racial antagonism as envisaged by some.

We successfully concluded the last lap of the negotiations process when, within a fairly short space of time, the Constituent Assembly drafted a new Constitution for the country. Despite concessions on issues such as powers of provinces, property rights, etc. the Constitution provides a framework within which we could start implementing programs for transformation. During this process as an Alliance, we strategised jointly and spoke with one voice during negotiations in the Constituent Assembly and as we engaged the masses.

We won hegemony in society on the Reconstruction and Development Programme as a programme of the GNU and our election slogan of 'A better life for all.' This vision of an integrated, co-ordinated, political and socio-economic transformation framework, captured the imagination of our people, the mass democratic forces and other forces way beyond the support base of the ANC and its Alliance partners who engineered this programme. In fact the extent of popular support for the RDP made it difficult for its detractors (the historical white parties, business, the media, etc) to openly criticized it.

We have by and large maintained the international goodwill towards our country and our peaceful transition, manifested in bilateral relations between our government and many others in the world - in the North and the South -and our contribution in multi-lateral forums are being felt. We have established ourselves as a champion of the renaissance of Africa, that the continent should find solutions to its own problems and of advocating the aspirations of the countries of the South. We have asserted our sovereignty to choose our own friends as a country. We have maintained a large degree of sovereignty over our economic policy, in a global context with crisis severely affecting emerging economies giving them no other option but to compromise their sovereignty to the IMF and Worldbank in exchange for bail-outs.



Our programme of transformation and implementing of the RDP is largely on track and we can say with confidence that we have laid the foundation for implementing the five key programs of the RDP. In particular beginning the programme of meeting basic needs.

The ANC continues to enjoy mass support and no other political formations pose any threat (at least at national level). COSATU now has nearly two million members and it has continued to grow rapidly over the past four years. The SACP remains the only credible political organisation working for socialism, despite various attempts over the years to set up alternative left/workers parties. The Alliance as a collective, led by the ANC, therefore remains the leading partners of the broad forces for transformation, capable of mobilising society behind the implementation of this programme. This reflected in our electoral support which surpasses our support base.

There are however a number of (subjective) areas where the democratic forces have shown signs of weakening its grip on the tactical initiative, sometimes with strategic implications. The weak state of organisation of ANC, SACP, SANCO branches and COSATU locals undermine our capacity to involve and rally the masses of our people behind development and reconstruction programmes, in the process leaving space for all sorts of 'concerned' groups to mobilise communities, and not always around a progressive program.

Our failure to prioritise the transforming of key ideological centres (such as universities, the privately owned media, research and policy institutes, with exception of the public media) and the neglect of our internal propaganda machinery has resulted in a public debate about the process unfolding in the country which at best is shallow and at worst anti-transformation.

Our weak cadre and deployment policies have resulted in the diminishing of our political cohesion, the spread of disunity and opportunism, poor co-ordination and accountability mechanisms for cadres we deployed indifferent sectors and the neglect of certain sectors such as local government. We have also left the mobilisation of international forces behind our transformation program, the Africa's renaissance and a just world order to our cadres in government alone, e.g. the ANC neglecting its party-to-party relations.

The lack of strategising and mobilisation for implementation and assessing the progress of the Reconstruction and Development Programme whether we have indeed laid the foundation for the implementation of the five key programmes of the RDP, based on our vision and objectives set out in the Base document. This has resulted in misconceptions such as that GEAR replaced the RDP or reducing assessment of the RDP to numbers/targets only.

All these subjective factors have contributed towards a situation of an Alliance which seem not to agree on the main challenges facing the forces for transformation, and which therefore fail to lead a programme of action around these challenges. Instead, we have seen communication breakdown around key policy decisions such as the macro-economic policy and public attacking of each other's positions.

### **Forces against transformation**

The ideas and the influence of the previous ruling classes still predominates in the civil service, the security forces, the economic sector and in the media. It continues to find political expression in the former white dominated parties such as the National Party and the Democratic Party, the Afrikaner right-wing political movements (in and outside parliament) and in new formations such as the UDM. The basic aim of these opposition forces is to create the atmosphere where it will be possible for them to displace the ANC as a leading political force in the country (e.g. attempts to establish an anti-ANC electoral front of opposition parties) or to ensure its transformation so that it ceases to pursue the objective of the fundamental reconstruction and development of the country and is unable to ensure that our country plays an independent role in world politics.

This anti-transformation agenda is also manifested in the form of illegal counter-revolutionary forces such as parallel intelligence and armed networks to and within the state to sabotage change through direct political action or aggravation of crime. They also entails underground efforts to undermine the



country's economy, including investor confidence and the currency; deliberate acts of corruption driven not merely by greed, sabotage of the programme of delivery; wrecking government's information systems; illegal and malicious acts of capital flight and so on.

## The Character of the National Democratic Revolution

What then is the character of our revolution as we move towards the end of what is known as the 'transition', but effectively the end of the sunset clauses? Firstly, we can confidently state that the strategic objective of the National Democratic Revolution remains the creation of a united, non-racial, non-sexist and democratic South African. This, in essence means the liberation of Africans in particular and black people in general from political and economic bondage. It means uplifting the quality of life of all South Africans, especially the poor, the majority of whom are African and female. April 1994 constitutes a platform from which to launch this programme of social transformation. What this National Democratic Revolution therefore still has to accomplish, is the legacy of a social system that was based on the oppression of the black majority."

Secondly, having restated our strategic objective, we are required to reflect on what then are current tasks of the National Democratic Revolution. These tasks were elaborated in the Strategy and Tactics as adopted at the 50th Conference of the ANC in 1997, with contributions from delegates from both the SACP and COSATU. These tasks are:

- **Building democracy** and an abiding **culture of human rights** as a fundamental condition for liberation;
- **Building the South African nation** through the deracialisation of our society; equality amongst all racial, ethnic, language, cultural and religious groups; the elimination of patriarchal relations; integration of communities in residential areas, the work place, sports, the trade union movement and other areas; an affirmative action program to eradicate the disparities of apartheid and acknowledging the multiple identities of individuals whilst promoting our over-arching South African identity as part of an African nation. Transformation of the state. We must ensure that the elements of power we have captured are utilised to rapidly transform the state, that we accord all citizens equal opportunities in the context of correcting the historical injustice and that we build a parliamentary democracy backed by mass involvement in policy formulation. Our democratic state must strive to improve people's quality of life, it mobilises resources to expand the wealth base of the country in the form of a growing economy, meets people's social needs and provides there quisite environment for political stability and the safety and security of citizens. The democratic state we seek to build must therefore be at the centre of the transformation of South Africa's political, social and economic relations.
- **Transforming of the apartheid economy** towards a mixed economy which has as its centre piece development, job creation, redistribution and growth. We will achieve this through amongst other things - the implementation of an industrial policy which ensure investments in critical areas and create jobs; the integration of marginalised sectors such as the informal sector, subsistence farming and women's unpaid labour towards the reproduction of society and a fiscal policy aimed at providing affordable services and expanding the economic base of the country.

## The Motive forces

Apartheid colonialism closely linked political oppression to economic exploitation. The motive forces of the National Democratic Revolution should therefore be "examined from both these angles." Our definition of the motive forces remain Africans in particular and blacks in general; and in class terms include the unemployed and landless rural masses; the unskilled and semi-skilled workers; professionals and small business operators. The national liberation movement's primary mission therefore remain the organisation, education and mobilisation of all the classes and strata that objectively stand to gain from the success of the cause of social change. It must channel the energies of these forces towards this goal, by identifying common interests and unite the motive forces and others in joint action. For, in as much as the people were their own liberators, success today is contingent upon transformation being people-centered and people-driven. And, in the tradition of our struggle which denies the forces against our struggle any allies, we are also called upon to win over to



our side those who previously benefited from the system of apartheid. In this sense the national liberation movement must lead the motive forces, as well as South African society as a whole in the quest for a non-racial, united, non sexist and democratic nation.

The nature of the democracy we pursue leans towards the poor, and we recognise the central and leading role of the working class in the project of social transformation. This approach to democracy is also informed by the principle of consistent equality, which not only recognises unequal gender relations, but the fact that the majority of the poor are African women, especially in rural areas.

### **Role of the Alliance**

The Tripartite alliance is an Organisational expression of the common purpose and unity in action which the liberation movement, the ANC, and the organisations of the working class - the South African Communist Party and the progressive trade union movement represented by COSATU - share. The SACP and COSATU are committed to a united, non-racial, non-sexist and democratic South Africa, and a system which pays particular attention to the improvement of the conditions of especially the poor. To the extent that the struggle to reach this goal remains in place, they will always have a close partnership with the ANC.

Therefore, whilst maintaining their independence, each component of the Alliance has a responsibility to organise and mobilise its social base and any other forces allied to it, for the implementation of the Reconstruction and Development Programme, the defence of the NDR and the constructive engagement of the people as a whole in the process of fundamental change.

### **Programme of the Alliance**

What then should be the Programme of the Alliance, giving leadership to its own structures and the broad forces for transformation? We must once again turn to our Strategy & Tactics which identifies five pillars, forming the basis of our strategy in the current phase of the NDR:

- **Mass pillar:** building and strengthening the ANC and the Alliance as a movement that organises and leads the people in the task of social transformation;
- **Deepen democracy and culture of human rights,** mobilising the people to take active part in changing their lives;
- Strengthen the hold of the democratic movement on state power, and transform the state machinery to serve the cause of social change;
- Pursue economic growth, development and redistribution to improve the people's quality of life;
- Work with progressive forces throughout the world to promote and defend our transformation, advance Africa's renaissance and build a new world order.

In each of these pillars, there are a number of programmatic areas and work which reflects the character of the liberation movement and our approach to this stage of the NDR. The programme of action of the Alliance should therefore be aimed at shifting the balance of forces towards more favourable conditions for the implementation of our transformation agenda, through mass work amongst our people and the process of governance. Our programme should focus on the following areas:

- Organisational Challenges
- Transformation of the state
- Economic development, redistribution and growth
- Meeting social needs;
- Safety and Security; and



- International work

## **Organisational Challenges facing the Alliance**

We shall now focus on the Organisational challenges, because other discussion documents presented at this Summit, already lay a basis for our programme in the other areas we have mentioned.

### **1. The 1999 elections**

All three alliance partners are approaching the 1999 elections in strategic agreement that COSATU and the SACP will, without ambivalence or hesitation, support the ANC. There is also agreement, recent media disinformation notwithstanding, on the general approach to electoral lists. The build-up to, and inevitable mass politicisation around the elections, present additional motivation and momentum to focus on Organisational building. However, it would be a mistake, even for electoral purposes, to approach organising from a narrow electoralist perspective. In the coming months, long before we approach our mass constituency on a specifically electoral footing, we must reassert visibility and presence within communities. This can be done partly around ID and voter registration campaigns, but it needs to be broadened into many other developmental focuses.

### **2. Developing a common mass-based programme of action**

At our last Alliance Summit (Aug/Sept 1997) we resolved that we needed a "mass-driven programme" which would enable "the Alliance... to galvanise a mass movement for transformation. that unleashes the energies of our people in taking forward programmes which concretely improve their lives." The resolution is good but general in character. We need, now, to give specific content to such a programme. Elements of such a programme could include:

- organising for community safety and protection, including the safety of women and children, protection of school property, of community resources (like taps and electricity supply, etc) This can be organised through active participation in Chefs, neighbourhood watch schemes, establishing places of refuge and safety for women, etc. If agreed, each ANC/SACP branch and COSATU local should have this item on the agenda of its fortnightly meeting, report-backs on participation, progress made. etc. should be given.
- schools governance - our local-based formations should ensure that we are assuming much fuller responsibility for school governance again each branch/local should be required to report-back on involvement, problems, solutions.
- participation in other local based development/governance formations- including Hospital Boards, and Local Development Forums, Water Committees, etc.
- fostering township and village-based co-operative movements. Every township has stokvel and other co-operative savings schemes. How, as the alliance do we empower and assist such initiatives to be more than burial societies, and to play a more active developmental and self-empowering role? The host of new possibilities opened up by government policies - housing





subsidies, public works programmes, the promotion of SMMEs, new co-operative/developmental approaches to welfare provision, land reform and restitution, etc. need to be used actively to build local level, participatory and co-operative approaches to development. Again our branches/locals must be empowered to play an active, organising and facilitating role in all of this.

- defending marginal communities and people - as the alliance we need to be much more active in defending, for instance. labour tenants on white farms. They now have greater legal occupancy rights, but these are being flouted in practice. Our grass-roots organisations must be active in monitoring this and in defending people illegally evicted from farms.
- other resolutions for mass-based campaigns resolved at the ANC's Mafikeng Conference included: and HIV/AIDS awareness campaign, Youth Development campaigns, anti-corruption monitoring

### **3. The ANC branch as a more civic-oriented structure**

All of the above implies that our vision of our grass-roots branch structures, and particularly of the ANC branch, is that it should function much more as a civic, but with a clear political mission. It must take up the civic concerns - housing, water, electricity, rates etc. of the community. The ANC branch should facilitate contact between the local council and the community, it should act as a forum for this interaction, but it should not be dominated by the local council.

This is not to say that the existing civic movement should be hurriedly dismantled. There are regions and specific localities in our country in which, for instance, the ANC does not enjoy hegemony. In cases like this, politically non-aligned civics might be appropriate organisational forums alongside of our branch structures. But in many other situations, the strategic motivation for both a SANCO and an ANC branch is not at all apparent. Unless we convert ANC branches into this much more civic type function, we will continue to build branches with little sense of strategic mission - apart from being platforms for individual career ambitions. If we allow branches to function in this latter way, we will have produced a generation of "cadres" whose experience and understanding of "politics" will be very alien to our Congress traditions.

We need also to give much more considered attention to the nature and size of our basic level structures, and in particular the ANC branch. How do we accommodate the broad movement character of the ANC branch (many of them are several thousands large), with structures/mechanisms that enable us to develop activist cores capable of doing the kind of campaigning work envisaged above? The greater civic orientation of ANC branches, in particular, can also help to transform the "sociology" of branches. In many localities (not all) these branches are dominated by youth (generally young males), and older people and women are often alienated by what they perceive to be intellectual arrogance. By focusing more on civic matters, a better age-profile and gender balance can be achieved.

### **4. Uniting the Tripartite Alliance in action**

The alliance is grounded in a common national democratic transformation strategic vision. The alliance is not, therefore, a momentary, tactical front. However, over the



past four years, many of the most high profile mobilisational and/or policy-centred struggles have pitted one part of our alliance against another. Whether it be the educational sector, or macro-economic policy, or the relationship of ANC-led local councils to historically ANC-supporting townships. we seem to be pitted against each other more often than not.

We are not suggesting that real debates, and real conflicts of interests should be bureaucratically suppressed - on the contrary. But we do need to ask ourselves why so much of our political activity is inwardly turned, and divisive. What are the causes of imbalance in this regard? We suggest there are several, among them:

The tendency to apply narrowly technocratic and managerialist solutions to policymaking, and to the challenges of delivery. This latter problem can be seen, for instance, at the local government level, where (with the best of intentions) many of our councilors turn delivery into a narrow, market-based relationship. Communities are turned into atomised households (consumers/clients) that have to pay for transformation. This serves to fragment townships (into payers and defaulters), rather than uniting townships around a common transformation agenda. As "credit control" is often applied in a blanket fashion, with scant regard given to the real capacity of many households to pay for services, this can turn communities against their own councilors.

Therefore instead of ANC dominated councils, and ANC-supporting townships collectively addressing the challenges of overcoming poverty, unemployment and underdevelopment. we have fragmentation, resentment and mutual incomprehension. Meanwhile the culture of non-payment, or of defiance of rate-hikes, continues unabated in the wealthy northern suburbs of Johannesburg. We need to find many more creative ways of addressing the challenges of local development - some we have mentioned above (more co-operative based arrangements for consumption and delivery, greater focus on redistribution between wealthy and poor localities, etc. etc).

On the other hand, we have also failed to actively mobilise our grass-roots structures around unifying struggles and achievements. There have been many progressive measures taken by our legislatures, or by government, which have not involved popular participation and support. The danger is that such gains may be challenged from conservative quarters and, lacking real mass support, will be reversed. We need to ensure that our mass-based formations (beginning with our own alliance structures). play a much more active role in supporting things like: The Termination of Pregnancy Act; Government's stand on the importation of pharmaceuticals; etc.

## **5. Re-affirming and fostering our congress political culture:**

None of the above programmes can succeed, if we do not, at the same time as implementing such programmes, re-affirm and foster our congress political culture. The past period has seen attitudes and practices develop which are very foreign to our movement Rampant individualism, and the disappearance of collective work; "Bantustan behavioural patterns" - where instead of seeking to be as close as possible to our mass constituency, even petty leaders and third-layer movement officials indulge in ostentatious displays of authority and power.



Obviously, very senior government officials require security and protocol arrangements, but these are about security and not about arrogant displays of power; Tolerance of corruption, sexism, etc. These kinds of behaviour can completely undermine all of the good work that our alliance is otherwise doing. Such behaviour is particularly problematic if, at the same time, we are calling on our constituency to be patient, to tighten their belts, to understand that rapid delivery is not possible. It is crucial that it is our movement that begins to criticise more forcefully these behaviour patterns, and that the criticism is not left to loose talk in corridors, or to opportunistic opposition forces. Part of our programme of action must, therefore include:

- Systematic attention, through political education and other means to the above problems;
- Ensuring that in all three formations there is a relatively uniform induction process that introduces all our members to the basics of our Congress political culture (collective leadership styles, comradely debate). The ANC's **Umrabulo** discussion paper of these matters in the run-up to the Mafikeng Conference began to lay an important basis for this.
- At the end of the day, of course, the best Congress education, is education in activity.

## **7. Achieving greater organisational co-ordination**

To implement an active mass-based programme of action, we need, at the national and provincial levels, to provide much greater coherence and co-ordination to our venous departments and activities. In particular we need to ensure that functions like organising, political education, information and publicity, and elections, co-ordinate their work, rather than acting as separate mini-empires. This applies within each of the alliance formations, and between them as well

## **8. Much more effective alliance policy-development capacity**

As we have noted above, there has often been an imbalance between the technical capacity of government departments to produce detailed policy, and the weak policy capacity of some of the alliance formations. This has resulted in several problems: Some policies are seen by many as technocratic impositions on the movement, they enjoy limited legitimacy as a result, and in the face of this there are then sometimes attempts to impose them bureaucratically.

Alliance policy-making, or policy-making by alliance-aligned NGO's often falls into the habit of merely second-guessing government policy, or of being instinctively oppositionist in character. Instead of synthesising our policy-making capacity across our alliance formations, and across the institutions of governance and the movement, we have, once more, tendencies towards fragmentation. We must:

- Enhance the policy-making capacity of our formations, not least the ANC. The setting up of an ANC policy institute needs to be strongly considered. More effective use of progressive, existing NGOs must also be followed through;
- Rather than simply second guessing government, the policy-making within our movement needs to focus on:

- issues that have a direct bearing on our Organisational, programme of action activities - for example, building a co-operative movement in the townships
- broad strategic questions - like, what do we mean by a developmental state, what international practice can we learn from

Attention to these areas can then strategically inform, more detailed, and more technically modeled, government policy. COSATU will (and has every right) to intervene on questions of macro-economic debate, for instance. It would be over-ambitious and inappropriate, however, for COSATU to aspire to produce a fully-modeled macro-economic framework policy. Likewise, the riposte to COSATU ("well if you have a problem with GEAR, where is your macro-economic model?") is equally fallacious.

## 9. Harness our cadreship resources

In seeking to galvanise our Organisational work, we need to understand that we have a major resource in:

- The Organisational machinery of the ANC with more than 2 000 branches, 8 000 local councilors, 117 constituency offices, 98 regional offices and several hundreds of ANC MP's and MPL's. Many of these are full-time, political cadres. Their activities must connect much more dynamically with the above proposed programme of action.
- The 20,000 COSATU shop-stewards - again, we must, once more, affirm the principle that shop-stewards are organisers for our entire liberation movement, and should not see their work as narrowly confined to the shop-floor
- The 14,000 active SACP members. SACP membership is, characteristically, not a career fast-track, and therefore Party activism is often (not always, of course) a sign of a certain political seriousness. Again, these energies need to be deployed away from just theoretical debate, or oppositionism, to activism in the field. Party branches should **be** charged with helping to build an ANC-branch civic capacity.
- But in order to unleash the potential of this cadreship resource, it is imperative to agree upon concrete, localised and coherent programmes of action. The alliance needs to meet frequently, at all levels, not least the local level, to plan, implement and assess such programmes of action.

## 10. The broader MDM

It is in planning and implementing such a programme of action that we will best interact with, learn from, and help to build a range of mass democratic formations - in the women's, rural, religious, youth, students, cultural, sports, and other sectors. At the last Alliance Summit, we agreed to convene an MDM summit this year (once again, well before we move into a much more electoral mode next year). If we are able to present a relatively coherent (but still open-ended) set of proposals around a popular programme of action, this summit will have an effective purpose.

## Conclusion

We are move towards concluding the deliberations of this Alliance Summit, and must now chart a way forward which will take our people and our country towards decisive victory for the ANC in the elections in 1999 and with confidence into the new millennium.

In doing so we can once again draw inspiration from comrade Tambo who close to two decades ago echoed the spirit of this Summit when he said: "Our organisations have been able to agree on fundamental strategies and tactical positions, whilst retaining our separate identities. For though we are united in struggle, Comrade Chairman, we are not the same. Our history has shown that we are a powerful force because our organisations are mutually reinforcing."

## 2. Jobs Summit

### UMRABULO INTERVIEW

with **Comrade Alec Erwin**, Member of the National Executive Committee, the Economic Transformation Committee and Minister of Trade and Industry

**Umrabulo:** *What WERE the main challenges government faced during the last five years?*

**Alec Erwin:** The main policy programmes/positions of the ANC are contained in the Reconstruction and Development Programme (RDP). The RDP focuses on the main problems in the South African economy and wider society. These are:-

- That Apartheid denied the majority of people access to basic needs, such as health care, housing, education, water, etc. We knew if we had to meet this basic needs, we would at the same time create jobs.
- We needed a comprehensive human resource development strategy, changing the education and training system. The system of education and training we inherited did not provide people with the skills to be employable in a modern economy. We therefore had to make education accessible to everyone and change the content of education, hence Curriculum 2005. We also had to develop new strategies for training and further education. We had to redefine qualifications to adapt for a modern economy, hence the South African Qualifications authority. For example, the qualifications of a fitter-and-turner may no longer be relevant when we have computer-controlled processes.
- In taking forward the complex question of rebuilding and restructuring the economy, we made some of the most difficult choices any government could make. This choice was to restructure our economy in such a way that it became globally competitive. It was a difficult choice, because it did result in job losses in certain sectors. It would not have helped to keep the old subsidised and protected structures as their costs of production were too high. The heavily subsidised and protected industry of the old apartheid regime in fact could not create sufficient jobs for 20 years. In hindsight it was fortunate that we made this choice and stuck to it. When the Asian crisis struck, our industries and economy could weather the storm, and not face total collapse. Tragically we see this collapse in the former Soviet Union and Indonesia, and we know it will be more difficult to rebuild their economies.

**Umrabulo:** What are these structural changes and what do we really mean by this?

**Alec Erwin:** An example would be the decision to lower tariffs. When we started lowering tariffs, a number of industries took a knock. Now some years down the line, we can now see that industry is in a much better situation as there is fewer industries in South Africa which are not globally competitive. This means that we are less threatened by imports, we are becoming much more effective at exporting and lower costs have also had a positive effect in lowering inflation. We now have the real

potential to be and important manufacturing economy. This is a very important structural change in the economy.

The reduction in inflation is important and it is a structural change. An important contributor to this has been the major reforms in agriculture. Notably, the prices of food and clothes are not rising as fast as before. This does have benefits for workers as it allows real increase in their wages and not just a monetary increase that is immediately eaten away by inflation.

We have made hard choices but we can say with confidence that we have rebuilt the economy in a sustainable and strategic manner. The National Party had very nearly destroyed the economy, but because we were clear about what we wanted to do and had the courage and political support to do it, we have taken only five years to turn the economy in the right direction.

**Umrabulo:** The January 8 statement specifically focused on economic growth and job creation as one of the priorities of the movement for the year. Why?

**Cde Erwin:** Whilst we have done a lot over the last five years to strengthen the economy and to address its structural problems, we are not yet creating jobs in large enough quantities to deal with our unemployment problem and absorb school-leavers. This is therefore an important issue to address, because it will be difficult to alleviate poverty, create a better life or redistribute unless we have job creation.

**Umrabulo:** What impact does our macro-economic strategy have on job creation?

**Cde Erwin:** We have spoken about the benefits of our policies. However, there are still a number of problems facing us, which impact on job creation.

In areas where we shed jobs, we hoped that we would have grown by at least 4% by now, and in the stronger industries even higher. Though we have stopped the decline in the clothing and textile industry and general manufacturing is no longer shedding jobs, overall the economy is not creating sufficient jobs.

Agriculture is also undergoing change. We chose the route of changing the structure of agricultural production that was previously based on support to white farmers, at the expense of all other sectors of the economy. We eliminated virtually all subsidies to these farmers, which has forced adjustments and introduced modern methods of farming. This meant mechanisation and fewer workers. To compensate for that, government will be starting to open new agricultural areas, and already there is increased support for black farmers. This support for black farmers is designed to make them good farmers and not to repeat the inefficient support to white farmers in the past.

The next phase is therefore to take these agricultural reforms a step further - changing the pattern of production and ownership from huge, capital intensive farms to smaller farms aimed at emerging farmers.

Agricultural reform is important, because food security will mean a better quality of life for poorer people.



The process of restructuring the economy was more complex than we thought and the process took at least two years longer than we envisaged in the RDP. However, the bulk of the big structural changes are now behind us - and we are now focusing on development of new economic activity with the objective of job creation.

**Umrabulo:** *One of the criticism of our Alliance partners of GEAR, is the over-emphasis on fiscal and monetary? policy, at the expense of an Industrial policy.*

**Cde Erwin:** The process leading up to the Alliance summit last year, agreed on the need to clarify and communicate our industrial strategy. This is possible, because for the first time in our history, we now have fairly reliable information for all the major industrial sectors. There is not the space to describe them all in full here. There are a wide range of programmes that assist enterprises and industries to adjust to the new circumstances.

Apartheid provided no opportunities for the development of black business and often sought to destroy it. As a result was no real small and medium sector in the economy - either black or white. This is a major reason for the low levels of employment creation since the 50's and for the large income inequality we have in the country.

A major priority of our industrial policy is therefore to build a strong SMME sector. The department of trade and industry has put in place a broad strategy for building this sector and has created a number of institutions such as Ntsika, Khula, etc to support this strategy. By themselves these policies are not enough. The challenge is to get them to our people and communities. One other challenge the next government will face will be to simplify the legislation and procedures for SMME's.

**Umrabulo:** *What is the relationship between the growth of the SMME sector and the high interest rates?*

**Cde Erwin:** The original plan in GEAR was to bring interest rates down by a disciplined management of what are called the macro-economic fundamentals. These are matters such as the price level (inflation), the exchange rate for foreign currency, the amount of government borrowing (the deficit), the level of investments, saving, taxation and the interest rate.

Until last year, interest rates were coming down. This, together with other policies designed to assist them, would have helped SMME's and general economic growth. The international crisis intervened and pushed interests rates to the unacceptably high levels that it is at the moment. This has been a real setback for our SMME programme. The high interest rates also affected other areas of the economy, both big and small enterprises.

**Umrabulo:** *Another structural problem identified in the RDP was the extent of monopolisation of our economy. What have we done about this issue?*

**Cde Erwin:** This area has taken us longer to do deal with, but we have done it. However, we have put in place the legislative framework when we passed the Competition Law. This will only be implemented from June this year. The Liquor Act also deals with excessive concentration and will open new avenues for business.



The Act is a first in the whole area of co-operative government and the Democratic Party choose to make politics out of it by challenging it. However, we have decided to refer it to the Constitutional Court so that we can get certainty for the industry.

The other aspect we will have to look at is to provide greater protection to consumers and small borrowers. Work is in progress on this are.

**Umrabulo:** *And the issue of empowerment and participation in the economy?*

**Cde Erwin:** The empowerment issue is crucial. A lot of attention of the last few years focused on high profile empowerment deals (big consortia). What we need to do more effectively in aid of job creation is to support smaller manufacturing companies, targeting sectors such as rural areas and women. For the next period, a more widely cast approach to empowerment will be the main task.

**Umrabulo:** *What progress has government made to achieve macro-economic co-ordination and balance?*

**Cde Erwin:** GEAR was essentially about ensuring co-ordination at a macro level and trying to reach the following objectives:-

- Lower interest rates
- A stable currency
- Lower inflation
- Reduction of the public debt, to redirect expenditure away from interest repayment;
- Higher levels of investment through restructuring of state assets; and
- To make government expenditure more efficient through budgetary reforms.

On all of these objectives, there has been progress. As I indicated above, we have a more complex situation in the areas of interest rates and the exchange rate as a result of the current international position. We have not made progress on these issues, not because of our domestic policies, but mainly because of the global crisis. Many other developing countries are contracting. In South Africa, the crisis has led to a slowdown, but not collapse. This is because the overall structural changes have been so positive and although we took a pounding, we did not collapse.

**Umrabulo:** *Where did the idea for a Job Summit come from?*

**Cde Erwin:** The proposal for a Job Summit was made by a number of groups - the Labour Market Commission and COSATU. However, up until the end of 1997, we were mainly concerned with effecting the structural changes in the economy, which we hoped within the fourth year would begin to impact positively on job creation. However, as I've indicated the position has been more complex.

The Job Summit was therefore a timely joint effort. It was a successful exercise for the following reasons:-

- It forced government to re-examine the impact of all its policies on job creation and to improve co-ordination of its work on this area;

- It resulted in complete agreement amongst all social sectors of our society on the severity of the problem of unemployment;
- It identified projects and proposals which can be implemented and will have an impact on unemployment - e.g. the housing program, SDI's, youth service programme, etc.
- It created new impetus for potential job growth areas such as tourism, opening up the way for the creation of rural employment;
- It is an economically sensible strategy - all projects are linked to future growth of the economy; and
- It reminded us of the importance of working together, towards a people centered and driven economy.

**Umrabulo:** *Why did it then take so long to convene the Summit?*

**Cde Erwin:** The process took long, because we wanted to ensure that we do a thorough job and ensure outcomes that bind all that participate. We followed a negotiating strategy and every single proposal was considered. For example, labour made at least 31 proposals and all these were considered. Proposals were received from disabled people's organisations, from organised youth and women, from business and different government departments.

This process eventually culminated in the presentation of seventy-seven (77) projects to the Summit. However, before these were agreed on, we had to be convinced that there is a realistic change for the project to be implemented. The projects thus range from small to large scale. In the process, we were pre-occupied with the details of job creation, rather than only the macro issues.

**Umrabulo:** *Will any new money be made available for job creation in this process?*

**Cde Erwin:** Yes, indeed. New money has been pledged by businesses well as by labour. From the side of government, within the 1998/99 fiscal year, we have re-organised the budget to free up to R1 billion for job creation projects agreed on at the Summit. We have also changed the deficit target by 0.5% to make further funds available for new expenditure arising from the Job Summit proposals. We also on an ongoing basis want to ensure better organisation of existing government programmes.

In the leadership to the Summit, we refused to approve any project, unless there was money and capacity to implement it.

## 3. Cadre Policy and Deployment Strategy

### Facing the Challenges:

#### 1. Introduction

The 50th Conference in 1997 adopted a detailed resolution on Cadre Policy, with an emphasis on a Cadre Development and Deployment Strategy. In this discussion document, we will look at:

- the key elements of our Cadre Policy;
- evaluate our deployment strategy since 1994; and
- reflect on what should guide a deployment strategy in the current phase.

#### 2. Elements of Our Cadre Polity

The "Commission on Cadre Policy and Ideological Work" at the National Consultative Conference at Kabwe in June 1985 identified the following as key elements of a Cadre Policy:-

- Recruitment:** Emphasis was placed on recruitment from those sections constituting the motive forces of the NDR and ensuring that potential recruits are made to understand and accept the basic policies and programs of the ANC;
- Education and Training:** this is divided into ideological, moral, academic, military (in the context of the armed struggle) and cultural education. Political and ideological training should enable cadres to exercise political leadership and be organisers. It should include patriotism and the inculcation of 'sterling' attributes such as loyalty, discipline, dedication and determination.  
At Kabwe a call was made for the movement to set up its own Political School.
- Deployment and Redeployment:** this must be according to speciality, aptitude, qualification and capability. Though in principle a revolutionary must be ready to serve in any capacity, in practice the aptitudes and wishes of individuals should be taken into consideration wherever possible. Cadres should be correctly placed and promoted at the right time so that they may fully apply their talents and creativity.
- Promotion and Accountability:** The political performance of cadres, thorough knowledge of everyone's work ability and personal life should guide placement and promotions. We should guide against favouritism, opportunism, regionalism and ethnic or sex discrimination. Those in position of seniority should display keen interest in the performance of cadres under them, check on their performance, encourage them and monitor their participation in the political life of the movement. Those who perform badly at their tasks should be confronted with a view to improving their performance.
- Preservation of cadres:** The unity and cohesion of the movement and a spirit of togetherness is essential. Preservation should include considerations around working conditions, preservation of skills, health and security.

#### 3. Learning from the post and new challenges

The implementation of our deployment strategy, in addition to the new tasks arising from the Strategic objective, will have to take in consideration the historical evolving of our cadre policy and the new issues and challenges facing our cadreship as collectives and individuals:

- During the liberation struggle, ANC cadres were mainly professional activists whose entire lives centred around the struggle. All other aspects of their lives (family, personal ambitions, etc.) were subjected to the pursuit of this struggle. This was particularly true for those who were in exile; the movement was their family, employer and community. Activism inside the country tended to take on the similar dimensions. During the repression of the 70's and 80's activists inside the country were often victimised in their work situation and their family lives interrupted.



The Kabwe Consultative Conference in June 1985 had a commission on Cadre policy, where it dealt with a number of issues, some not unlike what we are facing today.

- b. The movement during the early 80s started a process of preparing for governance with the establishment of policy departments. The Department of Manpower (DMP) was responsible for the human resource development of ANC cadres. It stepped up the programme to send cadres for academic and professional training.

As the movement grew in stature internationally, many more countries offered to train our cadres at their institutions of learning. A significant number of black students from within the country were also recruited for overseas studies through programs by the British Council and the United States Information Services.

The Kwabe Cadre Policy Commission, for example, noted that the US government had set aside \$6-9 million for scholarships for black students and resolved that the movement should appoint a full-time organiser to do work amongst these students.

- c. The legalisation of the ANC created the possibility for the movement to rapidly increase its membership. Naturally, many patriots seized this opportunity to join the organised forces of the NDR. Inevitably, many new members were people who were not steeped in the policies and organisational culture of the ANC. The process of instilling the policies and organisational culture among these new cadres could only take place as a result of a gradual exposure to the traditions of the movement.

The great advantage the movement had was that it nevertheless had policies, a strategy and tactics, an organisational culture and programme of action which all activists could relate to, whatever their depth of understanding.

We also had a large core of experienced cadres who had been carrying out legal activities as well as underground political and military work in the country or had been in prison or exile.

- d. The reality of our mass entry into government in 1994 has also thrown up challenges which were either not pronounced here, or were foreign to the previous epoch. For example, being a member of the ANC before 1990 meant persecution and even death.

Being a member of the ANC today is perceived as opening up possibilities of material and social advancement, either in the form of public or civil service positions or opportunities for enrichment through government economic empowerment programmes.

Under Apartheid, a limited range of career possibilities were opened to black people and women. The advent of democracy and the commitment of the new Constitution to affirmative action, opened a much larger choice of career paths to cadres -at least in theory. This does mean greater scope for the realisation of individual preferences and ambitions.

- e. The other side of the coin is the limits which are being placed on career options in a context where the majority of our people have been deprived of quality education, experience and skills. This is compounded by civil service and private sector rules which do not recognise prior learning and experience.

This can result in competition for positions as elected public representatives within our structures where the requirements for qualifications are not same. This was compounded in the context of our high unemployment figures and the absence of a co-ordinated deployment strategy.

- f. The advent of the democratic order also means different expectations in the context of the family lives of our individual cadres. In the past, families may have understood why our comrades could not contribute towards their financial and emotional well-being whilst in



prison, exile or in hiding. Today, we are expected to be an integral part of our family rituals and gatherings -extended, nuclear or otherwise.

- g. This has implications for our deployment strategy, because decisions about individual comrades impact on the financial contributions and demands on time of their families. For women cadres (because child-rearing is still mainly women's responsibility) it means choices about when to have children, and when they do have children, to maintain the balance between the demands of work/deployment and their family responsibilities.

#### 4. Evaluation of our Deployment Strategy

Some components of our Cadre Policy have been implemented over the last few years. These include our political education and cadre development programme, our journal Umrabulo, the piloting of the Political School and the recently introduced compulsory induction for all newly elected PEC's and REC's.

Initial steps taken on the deployment component of our Cadre Policy are:

- locating the responsibility for the deployment and accountability of public representatives in the Office of the Secretary General;
- decisions on deployments to key positions in different centers of power by the Officials and/or the NWC;
- guidelines for the List conferences;
- provincial discussions papers on deployment; and
- the decision by the NEC in August this year on the deployment of Premiers.

However, we have often lacked a coherent strategy which links the different elements of our Cadre policy in a programmatic manner consistent with the changed requirements of the NDR, especially after the 1994 elections.

Thus Cde Nelson Mandela at the opening of the 49th Conference in December 1994 remarked that *"ours was not a planned entry into government. Except for the highest echelons, there was no planned deployment of cadres. We were disorganised, and behaved in a manner that could have endangered the revolution."*

The most common of the weaknesses of our deployment strategy during this period include:

- a. There was an over-concentration of our best and most talented cadres into legislatures and the executives, at the expense of other sectors of social activity. This has resulted in:
  - a fairly large percentage of our MP's and MPL's being redeployed to other sectors during the course of their term.
  - a weak tier of local government, with many ANC councilors being fairly inexperienced.
  - the weakening of ANC constitutional structures and its political centre, for example there was only one member of the NEC working full-time at headquarters during the last NEC term of office.
- b. There was no comprehensive and co-ordinated plan to deploy cadres to other critical centers. This has led to a situation where individuals deploy themselves, thus undermining the collective mandate. Another consequence is that experienced cadres are sometimes displaced, de-activated or at best, under-utilised. This has contributed towards the slow pace of transformation in some critical areas.
- c. Insufficient preparations for governance at all levels, due to the objective reality of Apartheid excluding the majority of competent and skilled black people from senior positions, as well as lack of information about what really went on in the different organs of the state under the apartheid government;

- d. Weak mechanisms to support cadres deployed with little supervision and monitoring of their work performance and ongoing political and professional development.
- e. Insufficient criteria in the first place for the type of competencies (politically and otherwise) we need for different positions, leading to a number of reshuffles in important areas. For example, there has been a high overturn in most provinces of MEC's for Education; and
- f. The absence of clear guidelines for redeployment or recall, with the result that redeployment is often met with resistance and seen as demotion or punishment.

## Challenges and Tasks

### 1. Short end long-term tasks

The Commission on Cadre Policy, Political and Ideological Work at the Kabwe Conference in 1985 noted that "...the Cadre Policy of an organisation is determined by the tasks which are short and long-term in the revolution." In the discussion document *'Is the NDR still on Track?'* (1996), we said that the first and most visible act of any revolution is the transfer of political power. This entails taking control of the state machinery and introducing new political and social relations. It will be a long process, but the motive forces should have both the capacity and the intention to begin implementing fundamental change in all areas.

One aspect of this is balanced deployment of cadres for effective intervention on all fronts, including the governmental, parliamentary and extra-parliamentary, with proper co-ordination amongst all these levels, to ensure that we act as one movement, united around a common policy and bound by a common programme of action.

The document identified six areas of power, which are echoed in the recent Strategy and Tactics document, when it elaborates the programme of the NDR and the five pillars as immediate tasks in the current phase of the NDR. These centres of power relate to the following tasks, namely

- a. building and strengthening the ANC as a movement that organises and leads the people in the task of social transformation;
- b. deepening democracy and the culture of human rights and mobilising the people to take an active part in changing their lives for the better;
- c. strengthening the hold of the democratic government on state power, and transforming the state machinery to serve the cause of social change;
- d. pursuing economic growth, development and redistribution in such a way as to improve the people's quality of life; and
- e. working with progressive forces throughout the world to promote and defend our transformation, advance Africa's renaissance and build a new world order.

### 2. Centers of Power and Deployment

**2.1** Our first responsibility in developing an approach to deployment in the present phase, is to establish what the principal tasks of the revolution are. This must then lead us to decide what forces we have (or have to prepare to deploy) to accomplish each of these tasks. In addition, we must have a clear understanding of the system of supervision and decision-direction we need to put in place, to ensure that our army of cadres discharges their responsibilities in accordance with decisions which the movement have made

**2.2** In doing so, we should therefore look at the programme and pillars of the NDR set out in our Strategy and Tactics, and identify the strategic and deployment tasks in each center of power. The detail of this should be done with the relevant NEC subcommittees, responsible for different areas of work over the years. These strategic centers of power relate to the following areas:

- a. Deepening democracy, human rights and governance



- b. Transformation of the State Machinery
- c. Economic Transformation
- d. Meeting social needs
- e. The content and depth of national debate - hegemony
- f. Mass work, the mobilisation, education and organisation of the motive forces
- g. International arena
- h. Safety and Security

**2.3** Accordingly, we must therefore strengthen the political and administrative control and supervisory structures of the ANC at:

- a. national headquarters of the ANC
- b. provincial offices of the ANC
- c. regional offices of the ANC
- d. constituency offices of the ANC
- e. national parliament
- f. provincial legislatures
- g. metropolitan councils
- h. metropolitan executive councils
- i. the civil service

**2.4** We must strengthen our leadership of all parastatals and statutory bodies, in order of importance and the priorities and programme of the NDR.

**2.5** Strengthening our leadership in all other sectors of social activity, including:-

- a. the economy
- b. education, science and technology
- c. sports, recreation, arts and culture
- d. mass popular organisation; and
- e. mass communication.

## **Implementing our deployment strategy**

### **1. Our Approach to deployment**

#### **Maximal or minimalist?**

After engaging in the process of identifying the key strategic tasks, the institutions and the deployment issues in each center of power, we should then agree on our broad approach to deployment.

On the one hand, a maximal approach would argue that in order to push forward our transformation agenda, we need our cadreship in all key positions.

A minimalist approach would argue that all the movement should do is to concern itself with the deployment of its cadres to its party lists as public representatives (MP's, MPL's, Councilors). With this approach, deployment in other areas will depend on individual choice. Although there may be a process of consultation with the constitutional structures, this will merely be to say that "comrades have generally agreed to my taking this position because its strategic!"

Clearly both of the above positions have its dangers. Although we have a responsibility as a registered political party to contest elections and thus field candidates, we are a mass movement

which should drive the process of transforming our society. To approach this with a laissez fair attitude would be tantamount to adopting a triumphalist position that we achieved all the goals of the NDR in 1994!

## **Winning hegemony**

We should therefore in our deployment strategy find a middle road. This will include recognising that in order to change institutions you need the correct policies, a legislative and institutional framework and programmer, but also the correct people to make a difference. Our programme of prioritising key centers of power for deployment should therefore continue. However, this should not be a mechanical process of simply deploying your troops, but should go hand-in-hand with the movement having a programme of engaging with the institutions we seek to transform - hence the importance of our decision for the continual mass presence of the ANC.

What this means for individual cadres deployed to various institutions or sectors, is that they are not merely towing the party line. They are organisers who must ensure that the policies and programmes of transformation are carried out in the context of an environment where there are people who don't share our vision.

The responsibility of our cadres (e.g. those located within the state) in such circumstances is to use whatever power they have to ensure that transformation policies are accepted and implemented.

As a movement, we are committed to participatory governance and creating the space for everyone to make their submissions (for example through the parliamentary processes of public hearings) and engaging with civil society organs on key policies.

Although we can use our majority in parliament or elsewhere to drive through transformation, this does not mean that we should not - every step of the way and even when we are implementing our policies - shy away from engaging in the battle of ideas about our policies.

In our participation in institutions - whether of the state or civil society - as cadres of the movement, we should have respect for the internal processes of the structures and institutions we are part of.

Hence comrades who were part of the ANC underground in the unions during the 80's argued that they must respect and are bound by the democratic processes within the unions, even if the unions took a position different from the official line of the movement. Their responsibility was to pursued and win hegemony for ANC positions within the unions, not to impose those positions.

On the other hand, cadres deployed to different sectors have a responsibility to brief the movement about key issues in their sectors and sensitise it when its policy or tactical positions with regards that sector may need re-examination, given their concrete experience of that sector.

## **2. Practical steps**

The 50th Conference resolution instructed us to set up Deployment Committees and to develop and implement a deployment strategy for the movement at all levels. What are the immediate tasks which we need to take on towards implementing this mandate? We need to do the following:-

- a. Elaborating the strategic tasks, institutions and deployment implications for each power center.
- b. Setting up the Deployment Committees at all levels.
- c. Skills audit of all our cadreship and developing a database.
- d. Audit of all positions available in different centers, prioritise and identify areas where we lack sufficient cadres with experience and thus need to have a development programme.
- e. Immediate priorities for the Deployment committee:





- those who serve in elected public positions (MP's, MPL's) during this term of office and those nominated to serve in such positions through our list process; this should be done in co-ordination with the List Committees;
  - those from the broad democratic movement who are already place in managerial positions in various areas of social activity;
  - experienced and loyal cadres who might have been demobilised from active struggle for one reason or the other;
  - those falling outside of these categories, but are members, supporters and fellow nationals (who may be apolitical, but who are democratically minded and want to contribute to the country) who have required skills and experience.
- f. Ensure at all times an ongoing link between the recruitment of members (through our branches and within the centers we are deployed), our political education and cadre development programme and our deployment strategy.
- g. Guidelines on accountability, supervision and co-ordination for cadreship deployed to different centers.
- h. A human resource development approach which includes the following dimensions:-
- the mobilisation of youth and students in higher education, so that they embrace our perspective of transformation and therefore form part of the pool of qualified cadres for deployment;
  - making use of our international relations to encourage placements and further professional development of cadres in key areas of our society, contributing towards our short, medium and long-term succession plans.

## 4. The Current Global Economic Crisis and its implications for SA

### The nature of the crisis

The current instability and volatility in the global economy over the last year is seriously affecting the economies of both developed and developing countries. The current acute manifestations of crisis began in Asia towards the end of 1997, spreading with remarkable speed to Russia, Eastern Europe and Latin America. The crisis now engulfs almost all "developing countries" and so-called "emerging markets".

Among the most immediate features of this crisis are:

- A contraction in export markets, especially in South East Asia;
- Massive capital outflows from "emerging markets";
- Deepening economic recession with huge exchange rate and asset price declines, which have destroyed more than \$1,5 trillion of financial wealth in the East Asian economies alone.

Behind these economic statistics lie social crises of enormous dimensions. In Latin America, and especially in East Asia and Russia, unemployment, underemployment and poverty are rising. According to UNCTAD calculations "the proportion of the Indonesian population living on incomes below the poverty line in 1998 is expected to be at least 50% greater than in 1996". For the people of Russia, living just a decade or two ago in a super-power, the standard of living is now approaching African levels.

South Africa's economy is integrally linked into the global economy and we have not been left unscathed. Sudden outflows of short term foreign capital earlier this year created a situation in which our currency underwent a sharp devaluation (of around 29%). Interest rates have shot up, and growth forecasts have had to be drastically revised downwards.

These are some of the basic facts upon which there is general agreement. However, if we are to deal as effectively as possible with the crisis, it is important to move beyond the symptoms, and seek to understand its underlying nature.

The present crisis is, in fact, a global capitalist crisis, rooted in a classical crisis of over-accumulation and declining profitability. Declining profitability has been a general feature of the most developed economies over the last 25 years. It is precisely declining profitability in the most advanced economies that has spurred the last quarter of a century of intensified globalisation. These trends have resulted in the greatly increased dominance (and exponential growth in the sheer quantity) of speculative finance capital, ranging uncontrolled over the globe in pursuit of higher returns.

It is, therefore, not a temporary problem (although its present acute manifestations might be overcome for a while in the medium term).

It is also, therefore, not an unprecedented reality for capitalism. The economic recession and crisis of the 1930s had many similar structural features. There are also, of course, new features in the present crisis - including the much greater volumes of speculative capital involved and the sheer speed of capital flows, due in part to information technology. There is also considerably more global inter-dependence.

Although they now carry less conviction, there were until a month or two ago, attempts to portray the current crisis in a limited light - as an "Asian contagion", a "Russian melt-down", or an "emerging markets" problem. While the crisis is being felt more acutely in some regions, it is an international crisis systemic to the global capitalist system, and not the result of some peculiar local features ("Asian cronyism". "Russian lack of will", etc).

It is also not merely a financial markets crisis, although its most obvious manifestations are in the financial sector.

### **The melt-down of capitalism?**

The fact that we are faced with a global, systemic capitalist crisis should not lead us to conclude that capitalism is about to wither away. There have been several preceding globalised capitalist crises this century, in each case the capitalist system has (at huge cost in terms of the mass destruction of capital resources and resulting mass human misery) been able to surpass its crises, at least for a time. There is nothing to suggest that the present crisis is paving the way for some global leap into socialism. We should not sit around passively expecting the present crisis to deliver a new utopia out of the ruins of economic collapse. Indeed, previous globalised capitalist crises have been associated with some positive but also many negative phenomena (including the emergence of fascism in the 1930s).

Nevertheless, the present crisis creates both the possibility (and the necessity) for the progressive movement in South Africa to question what was until the most recent period the unquestioned economic global paradigm. We have, in an engagement with many other international forces, to find our own solutions to this crisis.

### **The crisis of a paradigm**

As the depth and relative durability of the crisis have become apparent, the dominant economic paradigm (the neo-liberal "Washington Consensus") has fallen into increasing disrepute. Perhaps the core feature of this paradigm was its belief that globalisation had ensured that capitalist economies had, more or less, surpassed boom and bust cycles - a vista of endless economic growth lay before us. In 1970 US Nobel prize winners, Solow and Samuelson were proclaiming that "the old notion of the business cycle is not very interesting any more". Top Kennedy/Johnson adviser Okun proclaimed in the same year that recessions "were now preventable, like airplane crashes". The OECD in 1974 envisaged uninterrupted economic growth that might "quadruple between now and the end of the century". This optimism was reaffirmed with great triumphalism in the 1990s. In 1993, for example, the World Bank argued "individual developing countries, particularly smaller economies currently contemplating an export-led expansion, could safely assume that demand for their products is infinitely elastic." (1993)

The dominant assumption in the 1990s has been that alignment with globalisation would guarantee economies more or less uninterrupted growth. The paradigm of an endlessly expanding global freeway, in which, to benefit, individual (and particularly developing) economies simply had to take the standard macro-economic onramp (liberalisation, privatisation, deregulation, flexibility and a 3 percent budget deficit) is now in crisis.

### **Will the left end up managing the capitalist crisis?**

In the last few years, along with the ANC's electoral victory in 1994, there have been a series of left or centre-left electoral victories, including in many of the advanced economies (Italy, France, UK, Germany, Sweden). In our own country we quickly realised that we had inherited a society and economy in crisis. In our case this has included many serious economic structural problems related to the particular capitalist growth path in South Africa.

The prospect in our own society and in many others in the coming years is that, once more as before in this century, the left/centre-left will be confronted with the task of managing a capitalist crisis. We cannot decline this responsibility. But in taking it on, we do need to consistently pose the difficult question. How do we introduce transformative elements that seek to counter the systemic logic and momentum of a global capitalism? Can we introduce anti-bodies to resist and surpass a system that periodically results in the mass destruction of resources, that continuously reproduces huge inequalities between north and south (and within the north), that is increasingly volatile and unstable, and that has no clear strategies for sustainable development?



What, if anything, can be done? There are many levels at which we must begin to respond to the crisis. Among the most important are:

### **International engagement**

The struggle to introduce a much more effective international regulatory system for speculative financial flows. Important efforts have already been undertaken in this respect by our comrades in government. There is clearly a growing international consensus that something has to be done in this regard. However, we need also to understand that some of the major economies are less affected by the present crisis, and see in it an opportunity to deepen their own dominance at the expense of rivals (e.g. the US over Japan), and at the expense of the South in general. We should, therefore, not harbour exaggerated expectations in this regard.

Joint action with other developing economies, which may provide more immediate results. In particular we need to engage with some of the more significant economies of the South (e.g. Brazil, India, China, etc). Can we forge a Brasilia-Pretoria-Delhi-Beijing Consensus in the absence of any Washington Consensus?

### **Continuously enhancing a Southern African and African perspective.**

#### **Building a more effective macro-economic consensus within the alliance**

As an alliance we have got stuck somewhat in our GEAR debate over the last two years (much to delight of the media and our political opponents). There are several reasons why we can now, collectively, surpass this situation of blockage:

The paradigm crisis of the "Washington Consensus", noted above, presents us all with some space to look afresh, and to look creatively and constructively, at macro-economic policy. Of course, we should not exaggerate the degree to which there is a global tolerance (especially in the financial markets) for macro-economic innovation, but the myth of a "one size fits all" macro policy has been punctured. The serious downturn, and danger of recession, in our own economy creates space to argue for certain contra-cyclical measures to be applied (if only as interim measures);

With the last few months of international crisis it has become increasingly clear that many of GEAR's targets would have to be revised. The NEC, and government, have now officially announced that some GEAR targets will be revised, while maintaining overall policy consistency.

Very important progress in the preparations for the Jobs Summit. The Jobs Summit may well produce significant national consensus agreements on a wide range of "real" economy policies. This will create a situation in which we will be more able to align (and argue for the alignment of) macro-economic policy with industrial policy.

It is not going to be helpful, now, as an Alliance to manoeuvre ourselves once more into a raging public debate in which we argue whether GEAR has been (or should be) abandoned or not. Much more important is the imperative of working together to consolidate, in an ongoing way, effective macro-economic policy. This in itself will involve debate and some difference, but it needs to be well managed within the Alliance. Above all, we need to root ourselves in major areas on which we can agree. These include:

- The apartheid economy we have inherited requires major structural changes (many of these changes have already begun to be implemented). An effective macro-economic policy needs to support such structural transformation. However, what we now all appreciate better is that these structural reforms cannot just be designed to "modernise" (to align with global "norms") an out-of-date apartheid economy. Clearly, in transforming the skewed apartheid economic legacy, we have also to carry through structural transformations that enable our own economy to survive and surpass, as best as possible, the uneven and crisis-ridden character



of the global economy. Structural reforms are not just about "catching up", or alignment with a now non-existent Washington consensus;

- The need for fiscal discipline (we are all committed to the responsible use of public funds); sustainability; and relative predictability (insofar as we are able to ensure such predictability);
- Macro-economic policy (as GEAR itself affirmed) must be aligned with our reconstruction and development objectives. More substance should be provided by the Jobs Summit to concrete programmes with which such alignment should take place;
- The need to investigate and implement contra-cyclical measures as noted above. (We may disagree as to whether these are short-term to avert recession, or of a more enduring developmental nature.)
- Wherever there is some relaxation on existing GEAR targets, this relaxation should not be simply because we have been "forced backwards". Whatever resources are released as a result of macro-economic relaxation, these must be directed strategically to growth, development and sustainable transformation.

We do not underestimate the possibility of persisting areas of difference within our Alliance on macro-economic policy, however all of the above provide sufficient space for a much more effective intra-Alliance consensus.

### **Some specific areas of fiscal and monetary policy that can be taken forward**

There are also a number of more specific areas where there is space to explore alternatives, new measures, and/or adjustments in fiscal and monetary policy. Many of these will emerge more substantially from the Jobs Summit report. Such areas include:

- A fresh look at the funding of the Civil Service Pension Fund. Over the past year the debate within the Alliance has tended to polarise around a "fully-funded" versus a "pay-as-you-go" approach. Are the options that polarised? Do we need to advance rapidly and inexorably to the fully-funded option, or can we sustain the funding at its present partially funded levels? An alliance mandated technical team could help us all to understand the pros and cons of different options.
- We need also, as an Alliance, to have a more nuanced understanding of the key challenges in terms of Tax policy. Is the priority to move towards greater progressivity, or are present policies basically sound with the priority being on more effective collection? How will the economic downturn impact on revenue? Again, as an Alliance we will benefit from a better shared understanding of the relative pros and cons of different options. We need to find ways of ensuring the necessary technical work is done that will make a more informed intra-Alliance discussion possible.
- in the context of the Jobs Summit important progress seems to have been made around Tariff policies. There is an emerging consensus for greater flexibility, and for the approach to tariffs to be informed by sector specific, and even time specific considerations. As an Alliance we need to empower ourselves to better impact on the processes that will emerge, in this regard, from the Jobs Summit.
- As was mentioned above, there are now good reasons to argue for basic contra-cyclical measures to be taken. Concretely, such contra-cyclical measures could include less rigidity on inflation, and less anxiety about defending the value of the rand - and therefore the prospect of easing pressure on interest rates. We are talking about relative shifts, not a demagogic indifference to any level of inflation, or any value of the rand. Such shifts may well require a public debate on, the need for Reserve Bank policies to be strategically aligned with overall government development perspectives, while allowing for Reserve Bank operational independence.