

Engaging in struggles

reply to 'Focus on privatisation'

The recent focus of the *Labour Bulletin* 25 (4) on privatisation comes in the wake of COSATU's successful two-day national strike against privatisation. Once again, working people have shown their willingness to struggle and once again, COSATU (and the broader labour movement) had the opportunity to clarify its positions and responses to government's programme of privatisation, in struggle.

In this article, I raise some issues in relation to the *Bulletin's* focus on privatisation and the current struggle against privatisation.

The sources of privatisation

To develop a consistent response to privatisation, labour (and the working class as a whole), needs to have a clear understanding of privatisation and its sources. Only then can unions (and the working class) develop their ideological orientation and their strategies.

Privatisation has its sources in the international crisis of capitalist accumulation or overproduction in the late 1970s and 1980s. This crisis resulted in changed patterns of capitalist accumulation, a shift away from investment in production to short-term investment like financial speculation. These changes, known as neoliberalism, are associated with the regimes of Margaret Thatcher and Ronald Reagan in

In the light of the Labour Bulletin's recent focus on privatisation, Maria van Driel raises some issues concerning the struggle against privatisation.

Britain and the United States respectively. Neoliberalism includes state budget cuts (to avoid increases in taxation); the deregulation of financial and all other markets; abolishing all forms of restrictions on the flow of goods and of capital; high interest rates; public sector restructuring; work reorganisation or lean production; labour flexibility; and lower wages.

The results of neoliberalism

Neoliberalism corresponds to the dominance of money capital, which is mobile, and constantly in search of profitable investment. So for investors, the privatisation of traditional state functions, including basic services like water, electricity and housing, provides relatively 'safe' and guaranteed high returns on investment in these captive markets.

Neoliberalism has bled the working class internationally in terms of large-scale retrenchments in industries like textiles and the auto industry. The public sector

restructuring is part of the same process. It wreaks havoc on the working class, causes job losses, inaccessible and deteriorating basic services, and increasing centralisation of political power away from working people.

Already in May 1990 (*Labour Bulletin*, 14 (8)), the Community Resource and Information Centre (CRIC) analysed the anti-privatisation struggles and explained privatisation as 'an attempt to implement Thatcherite measures to reduce the public sector. State strategy includes the "commercialisation" of state enterprises, which means retrenchment, a freeze on new employment, and attempts to reduce real wages, as well as a drive to privatise as much of the public sector as possible.' This definition, shared by Sandra van Niekerk in the *Bulletin's* focus on privatisation, is more comprehensive than the one used in COSATU's notice to Nedlac, quoted by Neva Makgetla's article. It also provides more scope for understanding privatisation and its forms.

Socially inefficient markets

According to the *Bulletin* focus, FEDUSA, the union federation, sees 'restructuring as part of a comprehensive government process to limit expenditure on items that can be otherwise managed'. FEDUSA is not opposed to restructuring or privatisation as long as it is managed, follows agreed institutional and consultation procedures and its members' needs are considered.

Makgetla of COSATU sees privatisation as a result of government's fiscal policy or budgetary constraints. In her analysis, privatisation cannot work in South Africa because of the social inefficiency of local markets. Makgetla does not have a principled opposition to privatisation. For her, privatisation's success depends on the social efficiency of the market.

International experiences of privatisation (see David Hall's article) regarding retrenchments, poor quality services and price increases, however, demonstrate that even more 'socially efficient markets' in advanced capitalist countries have not been immune to the negative impact of privatisation. The example of British Rail (covered in the focus) is a case in point.

Analyse the sources

While the South African Communist Party (SACP) article by Mazibuko Jara briefly questions whether public sector 'restructuring has to be neoliberal privatisation', no analysis of the sources of privatisation is developed. Instead, the SACP makes a safe call for a review and that restructuring should follow the goals of the Reconstruction and Development Programme (RDP). What is clear from the SACP position is that no definite link is established between privatisation and neoliberalism. According to the SACP's argument, it is possible to have privatisation that is somehow not linked to the neoliberal changes in the economy.

The inability to discuss the sources of privatisation, politically disarms the labour movement (and working people as a whole) from understanding the changes in the pattern of capital accumulation and hence the changes in the workplace and society. (For this reason Lucien van der Walt, David Mokoena and Sakhile Shange's article is problematic. It provides no analytical framework for the workplace changes at Wits University.) This also prevents working people from developing a clear ideological position and attitude to neoliberalism.

The role of the state

Within the neoliberal agenda, the state's role is to facilitate public sector restructuring, including the privatisation

of traditionally state functions. This includes 'commercialisation' of public enterprises or services to be run on a profit basis and providing 'loans or assistance' to the private sector for investment in the public sector. It also includes developing a 'private sector culture' within the public sector with user fees, performance management and publicly promoting privatisation as the solution for all ills.

Often state enterprises are privatised for 'next to nothing'. But nothing that is not potentially profitable is privatised. All the profitable sectors are ring-fenced, and the unprofitable sectors like the post office are left with government.

States that do not rigidly adhere to the neoliberal agenda are pressurised through capital's international finance institutions like the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO).

Regulation

Makgetla's analysis leads her to believe that government 'fail[s] to propose strong regulatory structures or analyse the costs and benefits of privatisation'. The government's failure to regulate the private sector is because it is committed to neoliberalism, which includes abolishing all restraints to capital accumulation. This failure 'to propose strong regulatory structures' is therefore not an oversight. It is a predictable outcome of the government's commitment to neoliberal policies.

Although COSATU's proposed national strike in 1998 was called off in favour of the Municipal Services Partnership Framework Agreement (MSPFA), this agreement was not implemented by local authorities nor overseen by national government. In addition, the unions were unable to effectively monitor the agreement and

ensure regulation. Unions have been unable to hold local governments accountable for implementing resolutions like the South African Local Government Bargaining Council (SALGBC) resolution on the 'public sector as the preferred provider of municipal services'. However, although there seems to be more regulation in advanced capitalist countries, international experience demonstrates that regulation is unable to curb the rampant capitalist tendencies of the private sector.

In her article, van Niekerk presents SAMWU's vision: 'The state must play an active, interventionist role in the economy. This is the only way to alleviate poverty, reduce inequalities and improve the lives of ordinary people. Ultimately local governments have to meet social needs, not make profits.'

Attitude towards the ANC

Despite a long discussion on growth and arguments in favour of the public sector, the SACP is silent on the question of the ANC. Makgetla, on the other hand, refers to the ANC's election manifestos - including the RDP and the 1997 Mafikeng conference - that do not refer to privatisation. Makgetla does this to illustrate that the ANC's positions on privatisation are at odds with 'government's overwhelming support for privatisation'.

The silence on the ANC and the attempts to show differences between the government and the ANC assists in confusing working people. This position shields the ANC government from having to take responsibility for its conscious and consistent decisions to implement its neoliberal Gear, which COSATU identified as the source of privatisation. This position also shields the leaders from taking clear positions with regard to the ANC. The difference between the ANC and the

government is used to justify the continuation of the Tripartite Alliance.

A shift in position

Although COSATU opposes privatisation of basic services, the definition of basic services is not clear. For some, basic services are water, electricity and health. What about housing and telecommunications? The federation currently supports privatisation on a 'case-by-case basis'. This is in contrast to the federation's position at its March 1992 Economic Policy Conference. Then COSATU's position was defined as part of building workers' power and democracy, and 'increase[ing] worker participation and power in all aspects of economic and political life'. This was possible through 'redistribution and restructuring', based on 'a strong and decisive state'. In contrast to the vagueness about the basic services that COSATU currently holds, the 1992 conference's approach had three basic elements.

Firstly, it argued, 'public ownership is a more desirable form of ownership'. COSATU also went further and argued that it should 'take place under workers' control'. Secondly, although COSATU did not call for the nationalisation of all industries, it did say that to provide 'basic goods and services to all, requires that Eskom, public transport, the Post Office and Telkom, state forests, municipal services, water, education, Iscor, roads and health should be under public control'. Thirdly, given the National Party's privatisation policy, COSATU also argued that 'we must consider strategic nationalisation' to fulfil the objectives of stimulating growth and enabling the working class to take 'control of the strategic



The strike showed working people's willingness to struggle.

direction of the economy'.

The 'case-by-case' approach to privatisation, which Makgetla supports, represents a shift from COSATU's principled opposition to privatisation. This shift has weakened the federation in its struggle against privatisation. To some extent, this also reflects differing positions and attitudes to privatisation amongst COSATU affiliates. The absence of a principled opposition to privatisation has effectively ensured that everything is up for grabs, even basic services like health. The political clarity that comes with principled positions would assist in developing an ideological understanding that anything that is privatised, would only strengthen the private sector and weaken the people.

Already we have seen that while one affiliate is waging a campaign to oppose privatisation in a sector, union investment companies from other affiliates in the same federation, are investing in that sector. It will be interesting to see whether COSATU can bring its affiliates' union investment companies in line with its intended position of no investment in the privatisation of basic services.

SAMWU's position

In the *Bulletin's* focus, the main discussions on union responses are about SAMWU. SAMWU has been one of the unions at the forefront of the anti-privatisation campaign. It has a different position to COSATU in that it opposes all forms of privatisation.

However, both Anna Weekes' and John Pape's articles focus on researching alternatives. What appears to be SAMWU's 'workshop approach' to the anti-privatisation struggle is problematic. Developing union responses to privatisation has not been easy. However, SAMWU workers developed a 'bottom-up' approach to the Gauteng Department of Health's privatisation of ambulance services in 1995. The important point here is that this anti-privatisation approach was developed in struggle, including a vision for the ambulance service, and an emergency plan to restructure and improve the service. Part of the work around the emergency plan was actively organising and mobilising.

SAMWU built on this method in its national campaign in 1998/9. A key focus was the struggle against the privatisation of water in Nelspruit. Through its struggle, the union was able to hold off the privatisation of water for more than a year. Through its preparedness to struggle, the union drew support from COSATU-Mpumalanga, communities, traditional

healers, women and ANC branches. In response to COSATU-Mpumalanga, COSATU threatened a national strike. It eventually called off the strike in late 1998 in favour of the MSPFA. While this marked the downward spiral of the campaign, SAMWU was not in retreat, and neither was its anti-privatisation approach defeated.

To some extent, the focus on research and workshopping is a retreat and reflects the absence of a campaign. At the same time, the union has concrete experience that good arguments are not enough to persuade government on the issue of privatisation.

The SALGBC resolution on the public sector and the Regulatory Framework have never been implemented or even tried. Therefore, the union is trying, by using research, to access the space offered by the Municipal Systems Act and the provisions of the Integrated Development Programmes, which provide for community participation. Whether these spaces yield fruit for the working class comes down to a balance of class forces.

Engage in struggles

The focus on the anti-privatisation struggles once again raises the opportunity for debate and clarification on a range of issues. Clear opportunities exist for unions to link up with struggles like the Anti-privatisation Forum as outlined in Rob Rees' article. But there are also local expressions of struggle against neoliberalism, like the struggles of the landless, and of communities for water and electricity. It is only through actively engaging in these kinds of struggles that alternatives to privatisation and neoliberalism will emerge. ★

Marla van Driel is the women's project coordinator, Southern Africa for Public Services International (PSI). This article is written in her personal capacity.