

Labour's defining moment

the anti-privatisation strike

The anti privatisation strike at the end of August brought to a head a simmering struggle against privatisation by COSATU and other unions over the past few years. So bitter was the heated public exchange between COSATU and the government over the strike, that it would not be an exaggeration to state that things will never be the same again. And so sharp are the differences over privatisation that an irretrievable breakdown in relations and the end of the COSATU-ANC alliance is imminent.

These differences are so sharp because the respective agendas are derived from the fundamentally opposing interests of capital and labour.

The inevitable breakdown

There is now no realistic prospect of reconciliation that can heal the deep wounds and differences between COSATU and the ANC. The ANC's Peter Mokaba condemned COSATU for the strike and said that the Alliance was dead. Though his comments caused a great stir in the Alliance it is, if not accurate, largely true. If the Alliance is not dead then certainly it has one foot in the grave.

But his claim that COSATU has been hijacked by 'Trotskyist' elements and that they are 'enemies' is nothing more than a panicky reaction to growing militancy in the workers' movement. The irony is that it is the likes of Mokaba who pose the

Focusing on the anti-privatisation strike, Ebrahim Harvey argues that the formation of an independent workers' party is the next logical step.

biggest threat to the interests of the working class. The fact that a few days after making these comments he backtracked and said that he was misunderstood, and that the Alliance is needed more than ever before, need not be dignified with any further response.

From now on, we will see nothing other than patchwork and tinkering within the Alliance that may give superficial short-term relief. Why? Privatisation stands at the centre of the government's neoliberal economic policy, Gear.

Gear and its privatisation provisions arise out of agreements between the ANC-led government and the International Monetary Fund (IMF), World Bank and investors. As a result, several ministers stated that the strike would not lead to any policy shift.

Predictably, at a SACP central committee meeting in September - after the strike - the party refused to take disciplinary steps

against Jeff Radebe, the Public Enterprises Minister, as recommended by its KwaZulu-Natal branch. The branch believed Radebe brought the party into disrepute by making statements in defence of the government's privatisation policy and reportedly claiming that the party supported privatisation. *The Star* reported that 'the central committee's statement reflected the reluctance of the SACP's leadership to act against its members in the government'.

We are more likely to see a speeding up of the process of privatisation. It would be the height of naïvety to think that there will be any major changes in policy. The best that COSATU can hope for are minor concessions that will not alter the thrust of the privatisation programme. It is unlikely that we will see the reversal of the privatisation of basic services, such as water, electricity and telecommunications, since the policy frameworks sanctioned by the major players in the global economy and the private sector institutional mechanisms are in place.

And since President Mbeki and his Cabinet are hell bent on attracting foreign investment and using the proceeds of privatisation to pay off government debt there is no chance of them changing course. Why? Because if the executive were to indicate that it was giving in to COSATU on privatisation there would be a sharp reaction in the markets and from investors. Mbeki is determined to avoid this happening.

A repositioning

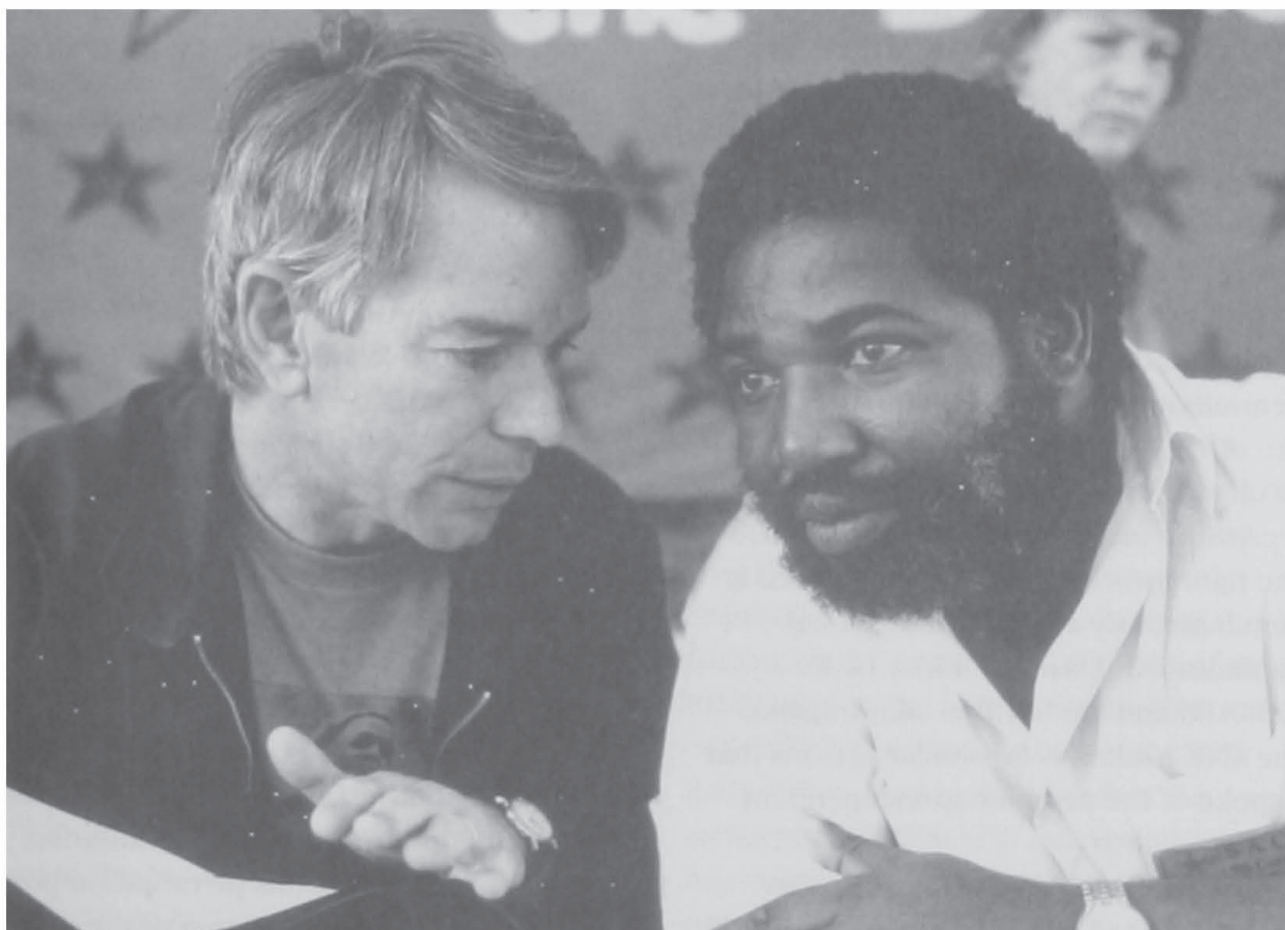
While it is obvious that COSATU has to fight in negotiations for some concessions from the ANC, they need to prepare for a hard and long fight with a party that has broken with its militant past and has become the political representative of world finance capital. COSATU will also

have to face the inevitability of its breakaway from the alliance. COSATU must position itself firmly within the growing anti-globalisation movement of which it is already a leading part because the government has become party to the imperialist globalisation COSATU and other forces are facing. The government has succumbed to the policy prescriptions of the World Bank, IMF and World Trade Organisations (WTO) which pits it against COSATU and others fighting for a world economic order which meets the basic needs of ordinary people.

COSATU and the SACP fail to realise that the ANC has reached a point of no return along the neoliberal path. Seen against the background of ongoing ANC attacks against COSATU over the past few years, Jeremy Cronin's ridiculous 'statement in an article in the *Mall & Guardian* last year is thrown into sharp relief. He said that if you read Dale McKinley's writings, 'Every policy pronouncement by the ANC, every comma and hyphen, is a portent of the inevitable "sell out", which like the Second Coming, is imminent, always-already-among us'. Aside from being a gross exaggeration, the real problem is that Cronin is stuck in a predictable and defensive rationalisation of the Alliance. Indeed the "sell out" is well upon us.

Cronin refuses to admit, in the face of clear and hard evidence, that in the political scheme of things the ANC has gone so far down the road of neoliberalism that it is virtually impossible to turn back or make a serious detour. Events have confirmed what I have been saying. COSATU has not been drawing closer to the ANC but moving further and further away and against it.

At last year's NUMSA congress, Trade and Industry Minister, Alec Erwin, made it clear that the government does not take or



'Jeremy Cronin (left) is stuck in a predictable rationalisation of the Alliance.'

change policy decisions lightly and in effect told workers that Gear is here to stay.

Tied to IMF and World Bank

Marshalling researched evidence against privatisation – as the August edition of the *Bulletin* did – is useful information for the reading public but it is not going to sway the government who sings to the tune of a different drummer.

What determines the policies of the ANC is not information from thorough research on the effects of privatisation world wide, but the demands of the representatives of global capitalism. After all, the top ANC leadership was in exile when privatisation of state assets began in countries like Britain where its failures were obvious. So the better half of the ANC leadership knows of privatisation's failures but, like investors, are clinging to it

in spite of the evidence. Interestingly, many of the arguments they use for privatisation are similar to those of the IMF and World Bank. For example, that privatisation's greater efficiencies and reduced costs will make more funds available for development whereas the opposite has happened with tariffs increasing and services and living standards deteriorating.

The IMF and World Bank stick to privatisation for two big reasons. One, working people bear the adverse consequences of privatisation, not the IMF or World Bank. Two, the more the public sector shrinks and the private sector expands as a consequence, the more the capitalist grip on society tightens and squeezes the life out of workers and the poor. That is why the anti-privatisation fight is far reaching and profoundly political.

A need for broad left unity

There are many in the ANC, aside from COSATU and the SACP, who know that privatisation is hurting the working class and that we need a major policy shift but they are powerless to call for such changes.

In fact, such is the power of global capital on the one hand, and the centralisation of power within the ANC on the other, that they can do little or nothing to change this course. That is why I said in a previous article (*Bulletin*, 25 (4)), that the fight for basic needs to be fulfilled is simultaneously a fight against global capitalism and, hard as it may be for COSATU and the SACP to admit, against the ANC itself. It is for similar reasons that I spoke of the need for an independent workers' party.

The fight against privatisation is so important for COSATU, the SACP and all other socialist forces that were they to be defeated the whole socialist project, including the formation of an alternative workers' party, would be greatly set back. It is therefore of great importance that they all unite behind a common anti-privatisation platform that could lay the basis for a broader unity of the left outside of the ANC alliance in a more comprehensive socialist programme.

But it is unwise, especially over the medium to longer term, to think that COSATU's fight against the privatisation of basic services can be separated from broader issues of privatisation. It is indefensible for COSATU to fight for basic services not to be privatised but to be involved in the privatisation of other assets in areas such as tourism.

Job losses and other problems associated with privatisation in general cannot be ignored in the broader economy. To some extent the government is correct to point out that COSATU is

inconsistent because on the one hand it is opposed to privatisation of basic services, whilst on the other it has tendered for contracts in privatised assets.

In this regard, COSATU cannot ignore the many problems inherent in its investment arms. To have a stake in companies in the capitalist mainstream economy and to subject workers to all the dangers, contradictions and confusion that follow cannot be sustained for long, especially when fighting the privatisation of basic services and the encroachment of the private sector into the public domain. This situation is bound to create confusion and major policy, political and organisational problems.

It is important to note that, except for Gwede Mantashe, no other COSATU leader pointed out during the anti-privatisation strike that the problems privatisation pose for workers are only one part of the general problem COSATU has with the entire Gear framework. That is why it makes even more sense to build an anti-Gear mass campaign, which would include the issue of privatisation.

To single out privatisation for mass action from the generally anti-working class framework of Gear is problematic. But this is not too big a problem if there is going to be an ongoing programme of action in which the other aspects can be included. Besides, not all unions are equally affected by privatisation, except that privatisation of basic services affects all.

All unions are affected by other aspects of Gear, such as retrenchments due to tariff reductions, wage restraint and other fiscal and budgetary policies that affect social delivery.

RDP and Gear cannot co-exist

But we need to examine the position of the SACP towards the privatisation

debacle, as articulated by Mazibuko Jara, in the August edition of the *Bulletin*. While his comments against privatisation and in favour of public ownership are generally correct, he makes several serious mistakes in his analysis.

One, Jara fails to see that as part of the negotiated settlement, Black Economic Empowerment (BEE) has since its inception really been a euphemism for black *embourgeoisment* and was never meant to deliver jobs, houses or satisfy other basic needs of the black masses in its 'wider sense'. That is why what he calls its 'narrower sense' - the promotion of black managers in parastatals - has prevailed with regard to parastatals.

Besides, he fails to appreciate the serious limits of BEE in its - 'wider sense' within the severe constraints of Gear. Even seen in this 'wider sense', BEE is directly contradicted by Gear. To change BEE from its primary class purpose to meet the needs of the poor black masses is easier said than done.

The fact is that former unionists like Cyril Ramaphosa and Irene Charnley have quickly become multi-millionaires because they, assisted by white monopoly capital, rode on the backs of poor black labour. This was made possible by the multi class populism of BEE. In the light of all this, it is ironic to hear Jara say that 'we do not always discuss this dilemma adequately in our policy debates and assessments'.

Two, while Jara tries to make more out of BEE than both its original intention and track records suggest, he goes on to say that the SACP 'consistently argued that the restructuring of state assets needs to fulfil the objectives of broad growth and the Reconstruction and Development Programme (RDP) goals, especially job creation'.

How can this statement be made, as

COSATU and SACP leaders often do, when Gear effectively replaced the RDP as the economic developmental framework of the ANC government? There was no way that both Gear and the RDP could coexist because they proceed along fundamentally different developmental paths. And neither were they meant to coexist, except, of course in word.

In fact, Gear could only be implemented on the condition that the RDP in essence died, and it did. The severe fiscal and budgetary constraints of Gear could never fund the RDP on the scale originally envisaged. The abolition of the parliamentary portfolio committee of the RDP last year, the last remaining structure of the RDP, signalled the end of the RDP. Rather than openly state this fact the ruling party let the RDP quietly fade away. Any reference the ANC makes to the RDP today is sheer hoodwinking. Seen in the context of its original plans, the RDP is in fact as dead as the Alliance. What we are seeing now are the last frantic kicks of a dying horse.

The defining moment

The main reason why the crisis today is a defining moment for COSATU is that it imposes the key task of forming, together with others who share a common perspective, an alternative mass workers' party. Its main task would be the conquest of political power and the creation of a socialist republic in which satisfying the interests and needs of the working class is of paramount importance. ★

References

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