

2013-10-31 Text as prepared for Rob Petersen's opening contribution (after the contribution by Ronnie Kasrils) at the debate held at UCT by Equal Education:

***Was South Africa sold out in 1994?
— a public debate on the economic choices at the time of the transition***

It's a great pleasure to be here this evening to share some thoughts with a new generation of activists who have become torch-bearers in our on-going struggle for equality, for liberation of the people from poverty, and for freedom from all forms of repressive rule.

It has also been a pleasure this evening to shake hands again with cde Ronnie Kasrils after some 35 years. We last met in exile in London, before I (with some others) was suspended from the ANC in 1979, and expelled in 1985 (which is still the case, although I remain firmly an ANC voter and supporter).

Cde Ronnie, I imagine, would have had a hand in the expulsion since he was present at the Kabwe conference and was a leading light in the Communist Party, which was not willing to allow space for our critique of the Soviet Union or our argument for a revolutionary policy combining the struggle against apartheid directly with a struggle for socialist transformation — based on the rising mass movement centred on the power of organised workers; based on building the capacity of the mass democratic organisations for armed defence rather than on the guerilla strategy and bombing tactics of MK.

But that was then and this is now. Cde Ronnie has moved to an oppositional standpoint himself now, within the ANC, although he remains an admirer of Mbeki (which I am not). Instead of retiring with honours, he is courageously raising criticisms of corruption and patronage; the rampant enrichment of the new elite; the reinforcement of patriarchal power in the rural areas; the increasing dysfunctionality of the state machinery through the appointment of unqualified cronies; the dangerous tendencies towards unnecessary state secrecy; the heightened police repression that Marikana exemplifies; the failure of economic policy seriously to address the development needs of the country in crucial respects.

His opposition to the Protection of Information Bill (the Secrecy Bill) was described by the ANC spokesperson Jackson Mthembu as “ravings”.¹ His former party of 50 years, the Communist Party, suggests that he is suffering from “*post-power* radicalism” — in other words that he is a sheer opportunist — and points to the fact that he was a minister in the most neo-liberal of ANC administrations.² I don't share that cynicism.

In fact they go further and suggest that he is part of an “imperialist grouping”, of “imperialist agents who masquerade as genuine democrats whilst they are rented to destabilize our country”. In such malignant and threatening language you get a glimpse of the Stalinist degeneration that overtook the party of Lenin internationally, along with the degeneration of the Soviet Union; of the intolerance of democratic criticism, of the tradition of lies and political thuggery that pervades the SACP even as it postures as champion of the working class.

¹ *Mail & Guardian* 18 November 2011.

² *PoliticsWeb* 18 July 2013, reporting a statement by the SACP Eastern Cape spokesperson, Siyabonga Mdodi.

I find myself aligned now with cde Ronnie on many things, but there are key points on which we differ. My purpose this evening is to deal only with what I think is relevant to finding our collective way forward out of the present impasse. We are in the same boat.

Lest there be any doubt on the matter, allow me to say at the outset that I agree with Ronnie when he writes in the *Guardian*³ that the “descent into darkness must be curtailed.” “I do not believe,” he goes on, that “the ANC alliance is beyond hope. There are countless good people in the ranks. But a revitalisation and renewal from top to bottom is urgently required.” I agree.

What I want to consider with you is the approach we should take to that renewal and to what he calls the need to “break the pact with the devil”. He is talking about the capitalist devil, in reality the devil of the property relation that rules the world. This is easier said than done.

But first, to the young leaders and activists of Equal Education, I want to say this:

Your generation, faced with carrying on the struggle in very challenging conditions now, should not burden itself with the thought that you were “sold out” by the constitutional settlement that brought the ANC to power in 1994.

We have perhaps the most enlightened constitution in the world. You should not poison yourselves with resentment that, but for that constitutional settlement, we would be in a better or an easier position now. We would not be. Nor should you think of tearing it up.

On the contrary, that settlement — that peace treaty in the class struggle, that setting (so to speak) of the Queensberry Rules as they have in boxing — though it preserved the right to property large and small, and though we may debate and criticise other particular terms, has provided (and will continue to provide while it lasts) precious advantages overall — whereas the alternative would, in my judgement, have entailed a descent into racial and tribal civil war, with the most likely outcome (even if you could call it a “victory”) being a ruined country, a population more fundamentally divided, a harshly repressive regime, and an impoverishment much more dire and intractable.

As the mass struggle mounted through the 1980s I held the view that attempts at a settlement would not stick and that a struggle to the end would prove unavoidable at that point; that therefore the nettle had to be grasped. I also considered that state ownership and central planning on a democratic basis could provide us with the means of moving forward. But I was wrong on both counts, and underestimated *both* the adaptability of the ruling class and its supporters, *and* the effects of the economic and political changes that had been occurring globally.

Those changes have continued apace and their effects intensified. In retrospect cde Ronnie wants mentally to tear up the settlement, imagining (as he put it in the *Guardian*) “the ability of our revolutionary masses to overcome all obstacles”. In retrospect I hold to the view that Mandela’s assessment of the relationship of forces was the correct one, and that cde Ronnie’s new assessment now is mistaken.

³ 24 June 2013.

I do not think you could have had a settlement while holding to the nationalisation of the “mines, banks and monopoly industries” proclaimed by the Freedom Charter. Instead, there would have been a civil war. As to land, however, there is nothing in the constitution which would prevent a thorough-going redistribution.

That there were those in the leadership ready and even eager to “sell out” (as tonight’s topic puts it), or “chicken out” (as Ronnie puts it), seems to me beyond question. By the way, it was not a “Faustian moment” (as Ronnie has called it). It didn’t start in 1994, but years before that. However, in the event, that was not what made the fundamental difference.

It is with the *objective* rather than the *subjective* situation that we must primarily deal. Lenin liked the English proverb that “facts are stubborn things.” “We have to reckon with them,” he wrote, “whether we like it or not.”

And the main fact we have to reckon with is that the productive forces developed by the system of production for exchange — that is, by capitalism — have grown beyond the capacity of any national state to control them.

Back in 1928 the Harvard economist Allyn Young explained (although Marx had said much the same before him) that the expansion of trade, the growth of markets and the resulting development of the division of labour between enterprises brings with it the prospect of revolutionising production over and over again through the increased use of new technology — *technology that would be too expensive to introduce when markets are small.*

Thus there can be an ever more radical cheapening of products in the competitive struggle between enterprises, where all must participate in the *expanded* market or succumb to the pressure of their rivals. This is the true meaning of globalisation and its power.

The power of “neo-liberalism” does not stem from some special acumen of Reagan or Thatcher. It is the distilled ideological and policy expression, the advantage taken by the ruling classes, of this most powerful of facts.

Cheap goods, wrote Marx and Engels in the Communist Manifesto, “are the heavy artillery with which [the bourgeoisie] batters down all Chinese walls.”

One hundred and forty years before the Soviet Union collapsed, they provided the key to explaining it. The country that defeated Nazi Germany, not just with infantry but in tank battles, and that was the first to put a human being in space — in the end it could not compete with the quality, variety and price of goods that the capitalist world market could achieve, and it imploded from within.

This provides the key, too, to explaining why red China under Deng Xiaoping, in an astounding development, came out from behind its own walls and is now already the second economy in the world.

Cheap goods, globally produced, explain indeed the force behind the policies of Thatcher and Reagan, in breaking down the resistance of the national welfare-state — the extent of its collapse into globalisation and the partial de-industrialisation that swept through the West.

These realities of global development should also lead us to understand why cheap labour has not provided and cannot provide a solution to South Africa's predicament.

We need to modernise and mechanise in conjunction with the world. Attacks on wage levels merely end up attacking effective demand. The price of labour-power is a factor in competition, obviously, but cheap labour cannot compete with machinery in the production of cheap goods, and machinery is now (with the development of robotics) beginning to render labour redundant in whole swathes of unskilled and semi-skilled production around the world.

This is the writing on the wall. This provides the most fundamental reason, in my opinion, why cde Ronnie's new conception is a misguided and utopian one. The revolutionary masses, with the most determined will in the world, could not have solved the problem at the time of transition, and cannot solve it now, by mere determination and activism.

If they — *if we* — are to solve it now, new methods and new conceptions have to be worked out. The policy that guides us will be the key. That policy involves directing our energies towards *defeating the global race to the bottom*; not by trying to go it alone, but by consciously rousing and combining our efforts with the millions and billions of our fellow human beings facing essentially the same problems created by capitalism that we face.

The cheapening of goods through capitalist competition using new technology provides, on the one hand, the indispensable means internationally for solving the problems of scarcity, poverty, inequality and war. In this regard, we have to recognise the *progressive features* of the race to the top.

On the other hand, the cheapening of goods provides the capitalist class and their corporations with the means of economic warfare against states which would resist their drive to private accumulation at the expense of working people.

In fact, and this is obvious to us all, they employ the competition of national economies and national states, begging for favour, as a means of straight-jacketing us all, and so facilitate a selfish *race to the bottom* wherever they can get away with it — in wages, in health and safety conditions, in tax rates and welfare spending, in environmental safeguards.

It may not seem so from Khayelitsha, but the world is a very wealthy place now, with powerful productive forces, with massive surpluses which could be invested in *evening out development* and in *boosting effective demand*. **There is now no technical obstacle to solving the problem of poverty and inequality on a world scale.**

Why did we not use our political clout, the stature of Mandela, the world enthusiasm for the South African "miracle", to turn our message outward and onto the *economic* terrain? Because we did not have such a message. Instead there was a rush to get into the capitalist club, the priority being the promotion of a black bourgeoisie and hobnobbing in palaces with the global rich.

But here is the true terrain of progressive struggle now, and it is an international terrain.

It is useless to fantasise about the marvellous capacities of the subjective factor — the potentially revolutionary masses — so long as that subjective factor is not *geared* to the objective realities.

Using our own state resources, we should be campaigning internationally to outlaw the competitive *race to the bottom*, while welcoming and enabling the *race to the top* — so that the resulting, rising surplus can be appropriated and applied increasingly to the service of social ends.

Within the confines of the national state, the scope for change is limited, but those limits are to some degree elastic and have to be tested by struggle — without falling into dreams that involve poking the lion with a stick.

Foolish policies will either lead to immediate reversals, or, if persisted in, will have an inherent tendency to slide towards autarky — trying to build a wall round South Africa which will not survive.

A narrow national outlook on the economy stands in the way of the solution which the whole of humanity requires.

If you try to put a wall round the economy you put a wall round backwardness, sliding in the direction of the impoverished so-called “socialism” of the walled city under siege. You are then driven to take more and more of the economy into state ownership, and to run everything by way of a central plan, riven with disputes, bureaucracy, incompetence, inefficiency, corruption and waste.

Lasting success does not lie down that route. The global division of labour through production for exchange has now established itself decisively beyond any national walls. Repression would grow under conditions of isolation; privilege would not be ended but become newly entrenched; and at last the experiment would collapse under the bombardment of cheaper and better goods from outside.

We cannot repudiate existing debt, nor can we treat the accumulation of debt or the level of inflation lightly. Debt must be applied to investment, for which the space must be energetically expanded both through raising skills and expanding effective demand. You cannot trap capital inside South Africa. And you cannot manage the currency by fixing the exchange rate. Such policies put forward by elements on the left are delusional and potentially disastrous.

I would love to go into detail on all of that, but my time is up.

Cde Ronnie has written in his memoir, *Armed and Dangerous*, “I believe that the twenty-first century will see a revival of the socialist alternative in creative new forms and alliances, harmonising the subjective with the objective conditions on an international scale.”⁴

With this I wholeheartedly agree!

⁴ 4th edition, p 328.