LABOUR INFLUENCE IN THE NEW SOUTH AFRICAN GOVERNMENT

By Patrick Bond

South Africa’s labour movement has unprecedented access to state power in Pretoria via SA Communist Party ministers and a new ministerial post devoted to economic development held by a labour leader. But this power comes with structural constraints, no matter the courage of leaders. The economic collapse suffered since 2008 is only the latest stage in an unfolding crisis of accumulation which South African capital has only shaken since the 1970s through escaping the country’s shores, through financialisation, and through imposition of neoliberal policies on the society. But these have not generated a sustainable growth path, but instead, yet more social tensions. How labour marshals and channels these tensions is the crucial test of the coming period.

Far more than in any other African country, a vibrant, explicitly socialist trade union federation and a (nominally) communist party have formal representation in—and a hard-won informal influence over—the South African government, one re-elected in April with 66% of the vote (down from 70% in 2004). Such representation, however, tempts a well-rehearsed insult, namely that African National Congress (ANC) nationalism will permit the “Alliance” comrades to “talk left” now, in order to disguise the government’s “walk right” later.

The discourse-reality gap is not solely South African. Nor is it merely a legacy of SA’s long drawn-out, Soviet/Swedish-funded, occasionally workerist-influenced, and generally anti-imperialist liberation struggle, three decades of which included an erratic armed struggle, prior to the first democratic non-racial vote in April 1994. It can, more generally, be recognized from Fanon’s “pitfalls of national consciousness” in most of newly post-colonial Africa. Recall how Fanon condemned the transfer into native hands of those unfair advantages which are a legacy of the colonial period. Since the middle class has neither sufficient material nor intellectual resources (by intellectual resources we mean engineers and technicians) it limits its claims to the taking over of business offices and commercial houses formerly occupied by the settlers . . . The national middle class discovers its historic mission: that of intermediary . . . the transmission line between the nation and a capitalism, rampant though camouflaged, which today puts on the mask of neocolonialism.
The SA Communist Party (SACP) and Congress of SA Trade Unions (Cosatu) leadership understand this power dynamic. Former President Thabo Mbeki completely marginalized the Alliance Left, leaving the SACP and Cosatu utterly powerless in Pretoria, merely begging for quite meager reforms and access during the post-apartheid era. But in turn, it was entirely because of this malign neglect that Mbeki and his closest allies were peacefully overthrown—first, vanquished in the ANC internal presidential elections in December 2007 and then booted from state power in September 2008. Two months later, several leading Mbekites left the ANC to form the Congress of the People (Cope) party on a good governance program, but only got 7.5% of the vote in the April 22 election. The other centre-right party, the white-led Democratic Alliance, increased its margin by four percent from 2004, to 17% and won the wealthiest province, the Western Cape, while several smaller parties—especially Zulu-nationalist Inkatha—declined precipitously, marking a stage where consolidations and more substantive centrist alliance-building will proceed.

Nevertheless, the war for hearts and minds in the ANC could not be won simply through rightward evacuations to Cope. Just prior to the April 22 general election, Cosatu general secretary Zwelinzima Vavi confessed the continuing adverse balance of forces, bluntly arguing, “We want to impose our working class hegemony. This is why others hate us like poison in the ANC.” Added Cosatu president Sdumo Dlamini, “There is an anti-communist, anti-workers sentiment we are picking up. We can’t accept that. This ANC was rescued by the workers. This is why I say it is a declaration of war.” Such hot rhetoric may have played a role in Zuma’s executive appointments the following month, seen as semi-favourable to the Alliance Left. On May 10, the day after his inauguration, the cabinet was expanded (and all Mbeki loyalists finally dropped), although at the same time it fragmented and various irrational appointments were made, contrary to SACP desires for “superministers” to coordinate what will be serious turf battles.

SACP general secretary Blade Nzimande and economist Rob Davies are now ministers of higher education and of trade/industry, respectively. Yet continuity not change lies ahead on the macroeconomic front. Overall economic “planning”—a new ministerial position within the presidency—is headed by the Left’s bête noire, Trevor Manuel (with his new job seen as a promotion of sorts from finance). The September 2009 Cosatu Congress featured explicit attacks on Manuel, whom Cosatu president Dlamini labels “the hope for those wounded people who felt that the class project was okay, who rubbed shoulders with Mbeki.” According to Dlamini, Manuel “wants to be seen again as this superminister and every minister should go to him, bow his head and say, ‘Please, Mr Manuel, can we have this?’ From where we sit right now, we smell that [the planning ministry] is nothing else but an attempt to displace the role of Cabinet ministers and put it squarely under the supervision of Manuel.” Dlamini argues that in contrast, the “hope of moving away from the 1996 economic policy trajectory” lies with the new economic development minister, Ebrahim Patel, formerly secretary of the clothing/textile workers” union: “We envisage a
situation where micro- and macro-economic policy is guided by the economic
development minister and nothing else”, a widespread attitude in Cosatu which
led Zuma to warn the union movement not to “abuse the relationship of mutual
trust and respect”.

And the new finance minister—now much more the bookkeeper than the
fabled role Manuel played as neoliberal gatekeeper—is former tax commissioner
Pravin Gordhan, a long-time Zuma associate with a left background but purely
technocratic post-apartheid record. At the Reserve Bank, the most important
surviving neoliberal after Manuel was governor Tito Mboweni, who trade
unionists insisted should take seriously his institution’s mission and vision “to
pursue balanced economic development and growth” and to “foster a stable
financial environment in which the economy can thrive for the benefit of all”. But Mboweni did not bring interest rates down sufficiently rapidly and refused
to adopt the wider mandate, so Dlamini called for his head. In July, Zuma
announced that four months later, Gill Marcus—a former Reserve Bank deputy
governor, deputy finance minister and chair of the largest commercial bank—
would replace Mboweni, a move widely understood as a Cosatu victory, but it
was a hire that also pleased international and domestic finance.

Overall, Zuma’s cabinet seems to offer the Alliance Left sufficient career
concessions but, quite frankly, no real prospects for expanding a power base to
achieve the “second stage” (from non-racial capitalism to socialism) of the
“National Democratic Revolution”. Nzimande’s call to arms in the Umsebenzi
Online edition two days before the inauguration reveals both hubris and a
knowing cynicism about SA’s notorious crony-capitalist party-patronage system:

The electoral victory marks a significant rolling back of the huge ideological
offensive waged by sections of the elites against the ANC and its allies. The
electoral victory has thus significantly exposed both the bankruptcy and the
distance between these elites from the concerns of ordinary workers and
the poor of our country. In many ways these election results are an expression
of the growing class cleavage in wider society between the haves (including now
a small black group of tycoons as represented by Cope) and the have-nots . . .

As the SACP we can proudly claim that we have achieved the main objectives
of our main pillar in our 2009 Programme of Action, that of working for an
ANC’s overwhelming electoral victory. Indeed thousands of communists and all
our structures were mobilized in this effort . . . However, we need to remind
ourselves of the very clear directives given by our February Central Committee
on communists deployed in government. This time around, the CC said, there
must be a change in the manner in which communists relate and account to the
SACP, much as they are deployed in the first instance as ANC cadres. In
particular the SACP will not allow itself to be used as a stepping stone
to positions in the ANC and government only to be abandoned by some of those
cadres once they occupy such positions . . .

We must refuse to be cowed down by neo-liberal ideological blackmail about
what is to be done about this crisis. We believe that the only sustainable
solutions that can effectively deal with the current capitalist crisis are leftist
solutions, not more of the same liberal dogma whose failures are the direct cause
of the current crisis. At no stage in the history of our democracy have we needed
a developmental state, buttressed by popular power, than at this point in time.10

Because such rhetoric pulls the reader leftwards with such confidence, the
subsequent drift rightward will be all the more demoralising. To be sure, incre-
mental victories are not impossible, e.g. a potentially expensive National Health
Insurance promise (which, Manuel and his neoliberal technical staff threaten,
could be stalled for at least the next five years). Job losses, rising conflict over
transport restructuring, and huge electricity price increases are certain flash-
points. Overall though, there is no reason yet to doubt Zuma when he repeatedly
reassured financial institutions and Davos audiences, dating to late 2007, that
“nothing will change” in terms of pro-business policies, no matter how vulner-
able these have made South Africa. Although it may be too early to separate
rhetoric from reality, neither the underlying social policy philosophy nor the
economy that Zuma takes forward from the Mbeki era can be easily rejigged
given the prevailing balance of forces, especially the weaknesses of the indepen-
dent left. Assessing that weakness requires reviewing how the ANC attracted
mass popular protests and then diverted and diffused them so effectively during
the 2000s into a fight against Mbeki, not Mbekism.

Contours of A Class-Apartheid Transition

Perhaps no South African talked left and walked right with more confidence
and eloquence than the mostly unlamented former president, Thabo Mbeki,
who ruled not only from 1999–2008, but arguably also from 1994–99 as Nelson
Mandela’s deputy.11 He was a star pupil not only of Keynesianism at Sussex
during the mid-1960s but subsequently of what SA political writer Raymond
Suttner calls “Brezhnevite Marxism” at the Lenin Institute in Moscow. Mbeki
served in the SACP politburo until 1990, when the new SA president, FW De
Klerk, liberalised politics as the Berlin Wall fell. Mbeki was central in immedi-
ately drawing back the World Bank—whose last prior SA loan was 1967—in part
thanks to his old friend at Sussex, Geoff Lamb, a former SACP youth activist and
then top Bank strategist credited with introducing the idea of homegrown
structural adjustment to Africa during the 1980s.

The segueway from racial to class apartheid could be read from more than
dozens World Bank “reconnaissance missions” from 1990–94 in all the main
sectoral areas, in which the ANC shoe-horned the more radical Mass Demo-
cratic Movement allies into cooperation rather than conflict. Intermediary agen-
cies like Anglo American Corporation’s Urban Foundation thinktank and the
Development Bank of Southern Africa (a World Bank junior partner) were
crucial in shaping the transition in hotly contested fields like housing, water,
energy, land, healthcare and education. There was not a single aspect of social
policy in which the “Knowledge Bank” pilot function of the World Bank and its
local consultant corps was not a powerful factor.
Even before liberation, an October 1993 agreement to repay the apartheid
debt—$25 billion in foreign loans from commercial banks, and somewhat more
domestically—prevented the subsequent ANC government from meeting social
spending goals. An interim constitution in November 1993 assured property
rights and an “independent” (i.e. banker-biased, democracy-insulated) Reserve
Bank. The International Monetary Fund had set the stage for other neoliberal
economic policies—e.g. public sector wage and spending cuts—as a condition
for a December 1993 $850 million loan, and the Fund’s manager, Michel
Camdessus, even compelled Mandela to reappoint the apartheid-era finance
minister and central bank governor when the ANC took state power in May
1994. The General Agreement on Tariffs and Trade (soon to be the World Trade
Organisation) hit South Africa hard in mid-1994, as fast-declining manufactur-
ing protection reversed the anticipated gains of liberation for workers.

By early 1995, the dissolution of the dual exchange control system (a “finan-
cial rand” used to deter international capital flight during the prior decade) and
the encouragement of stock market investment by international finance meant
first a huge inflow and then, on five separate occasions in the subsequent fifteen
years, dramatic outflows and currency crashes of at least 25%. The first of these
runs, in February 1996, followed a rumour (unfounded) that Mandela was ill,
and it left the president and his team so psychologically shaken that they ditched
their last left vestige, the Reconstruction and Development Programme minis-
try, and within four months imposed the hated “Growth, Employment and
Redistribution” agenda of neoliberalism.

Slowly-deracialising class power had obvious macro manifestations of these
types, but exactly the same dynamic was occurring in all the microdevelopmental
arenas—one White Paper after another crafted by the World Bank and its
proxies—as well as in provinces and municipalities. Water, for example, was
priced at “full cost recovery” by minister Kader Asmal, a populist social demo-
crat, a policy that generated massive disconnections, a cholera epidemic and a
steady flow of protest riots and illegal reconnections. Housing policy was con-
structed by Joe Slovo—then SACP chair and housing ministry—prior to his
1995 death, in a manner wholly consistent with the World Bank and Urban
Foundation developer-driven, bank-centred philosophy.

The basis for a “government of national unity” which included DeKlerk’s
National Party and the Zulu-nationalist Inkatha party during the initial years
of liberation was, of course, the reconciliation of several thousand elites in the
liberation movement, white politics and white business. Due in part to the
political-economic cowardice of Archbishop Desmond Tutu—who remains
extremely strong on symbolic political and ethical matters but weak on social
justice—the Truth and Reconciliation Commission he chaired ensured that
reconciliation would not touch much less penalize the vast majority of whites
who were the main economic beneficiaries of apartheid. Successive Reserve
Bank governors loosened exchange controls two dozen times from 1995
onwards, and finance minister Manuel let the capital flood out when in 1999 he
gave permission for the relisting of financial headquarters for most of the largest
companies on the London Stock Exchange. The firms that took the gap and
permanently moved their historic apartheid loot offshore include Anglo Ameri-
can, DeBeers diamonds, Liberty Life insurance, Investec bank, Old Mutual
insurance, Didata ICT, SAB Miller breweries (all to London), BHP Billiton
metals (to Melbourne) and Mondi paper (to New York).

Although back in 1990, Mbeki had hurriedly quit the SACP to take advan-
tage of the centering of mainstream SA politics, he never forgot how to deploy
leftist rhetoric, as witnessed perhaps most publicly in his popularization of the
phrase “global apartheid”, first in mid-2000 when SA narrowly lost the hosting
rights to the 2006 Soccer World Cup (to Germany thanks to a racist New
Zealander’s vote) and then again just prior to the 2002 United Nations World
Summit on Sustainable Development in Johannesburg. That conference’s main
impact was the UN’s reification of “public-private partnerships” in areas as
diverse as water, climate and environmental management, and represented
another example of a potentially transformative analysis denuded by local/global
corporatism. However, under neoliberal conditions, none of the global
strategies—especially the New Partnership for Africa’s Development, dubbed
“philosophically spot-on” by the US State Department—could and can deliver
the goods.12

Degeneration set in within a year of Mbeki’s ascent to the presidency, as
witnessed in accusations that the Central Intelligence Agency and the industry
known as “Big Pharma” controlled the Treatment Action Campaign (TAC).
TAC is a grassroots movement ultimately successful not only in combating
AIDS stigma, but in getting anti-retroviral drugs to 750 000 South Africans
today, albeit at the cost of 350 000 unnecessary deaths. TAC’s victory was an
extraordinary accomplishment given that the price for a year’s supply of medi-
cines when it started the campaign exceeded $15,000.13 Other forms of delusion
and schizophrenia characterized Mbeki’s grip on power (e.g. a claim that three
businessmen embarked on a 2001 conspiracy to unseat him). Mbeki’s paranoid
fear of leftists in and outside the Alliance reached a peak following the march of
30 000 social movement protesters against the UN environment summit on
August 31 2002: “They accuse our movement of having abandoned the working
people, saying that we have adopted and are implementing neoliberal policies.”14

The Neoliberal Roll-Out

Just as he refused to acknowledge the link between HIV and AIDS or that (in
2008) Zimbabwe faced a “crisis”, Mbeki and his ANC Political Education Unit
would regularly deny critiques that his government served big business, e.g.:
“There are no facts that the anti-neoliberalism can produce to prove its accu-
sations. Its statement characterising the policies pursued by the ANC and our
government since 1994 as the expressive of a neoliberal agenda are complete
falsification of reality” (sic).15 Yet the evidence was so overwhelming that by 2006
it formed the core of the Alliance partners critique of Mbekism, although the
catalyst for the critique was by all accounts Mbeki’s ham-fisted Machiavellian style:

- there was an immediate post-apartheid rise in income inequality, which was slightly tempered after 2001 by increased welfare payments, but which meant the Gini coefficient soared from below 0.6 in 1994 to 0.72 by 2006 (0.8 if welfare income is excluded),
- the official unemployment rate doubled (from 16% in 1994 to around 32% by the early 2000s, falling to 26% by the late 2000s—but by counting those who gave up looking for work, the realistic rate is closer to 40%) as a result of imported East Asian goods in relatively labour-intensive sectors (clothing, textiles, footwear, appliances and electronics) and capital-intensive production techniques elsewhere (especially mining and metals),
- the provision of housing to several million people was marred by the facts that the units produced are far smaller than apartheid “matchboxes”, are located further away from jobs and community amenities, are constructed with less durable building materials, come with lower-quality municipal services, and are saddled with higher-priced debt if and when credit is available,
- while free water and electricity are now provided to many low-income people, the overall price has risen dramatically since 1994, leading to millions of people facing disconnections each year when they cannot afford the second block of water consumption,
- the degeneration of the health system, combined with AIDS, has caused a dramatic decline in life expectancy, from 65 at the time of liberation to 52 a decade later,
- with respect to macroeconomic stability, the value of the Rand in fact crashed (against a basket of trading currencies) by more than a quarter in 1996, 1998, 2001, 2006 and 2008, the worst record of any major economy,
- South Africa’s economy has become much more oriented to profit-taking from financial markets than production of real products, in part because of extremely high real interest rates (after a recent 3.5% spike during the mid-2000s, consumer and housing credit markets are badly strained by serious arrears and defaults),
- the two most successful major sectors from 1994–2004 were communications (12.2% growth per year) and finance (7.6%) while labour-intensive sectors such as textiles, footwear and gold mining shrank by 1–5% per year, and overall, manufacturing as a percentage of GDP also declined,
- Government admits that overall employment growth was −0.2% per year from 1994–2004—but −0.2% is a vast underestimate of the problem,
overall, the problem of “capital strike”—large-scale firms’ failure to invest—continues, as gross fixed capital formation hovered between 15–17% from 1994–2004, hardly enough to cover wear-and-tear on equipment,

where corporate profits were reinvested it sought returns from speculative real estate and the Johannesburg Stock Exchange: there was a 50% increase in share prices during the first half of the 2000s, and the property boom which began in 1999 had by 2004 sent house prices up by 200% (US markets rose only by 60% prior to the banking collapse,

businesses also invested their South African profits, but not mainly in South Africa: dating from the time of political and economic liberalisation, most of the largest Johannesburg Stock Exchange firms shifted their funding flows and even their primary share listings to overseas stock markets,

the outflow of profits and dividends due these firms is one of two crucial reasons South Africa’s “current account deficit” has soared to amongst the highest in the world (in mid-2008 exceeded only by New Zealand) and is hence a major danger in the event of currency instability,

the other cause of the current account deficit is the negative trade balance, which can be blamed upon a vast inflow of imports after trade liberalisation, which export growth could not keep up with, and

ecological problems have become far worse, according to the government’s own commissioned research in the 2006 “Environmental Outlook” report, which according to the leading state official, “outlined a general decline in the state of the environment”.

Countervailing claims of a “developmental state” under construction hinged upon a series of vast white-elephant projects:

the Coega industrial complex aimed at attracting a persistently elusive aluminium smelter (by early 2008 electricity shortages made this unlikely as it would add 3.5 percent demand to the stressed grid while creating only 800 jobs);

the Lesotho Highlands Water Project mega-dams which permit hedonistic water consumption in Johannesburg while unaffordably raising prices for Soweto township residents;

several bloated soccer stadiums for the 2010 World Soccer Cup;

the $5 billion arms deal;

Pebble Bed Nuclear Reactors potentially costing tens of billions of dollars, alongside tens of billions more on coal-fired power plants notwithstanding SA’s world-leading CO2 emissions rate; and

a $2.2 billion fast rail network allowing wealthy travelers easy albeit expensive access between Johannesburg, Pretoria and the OR Tambo airport.
To finance state infrastructure spending and steady tax cuts for corporations (down from a rate of nearly 50% in 1994 to less than 30% today), Manuel engineered a parasitical growth process that looks impressive at surface level—a 5 percent GDP increase for much of the 2000s—but isn’t when the downside is considered. The GDP growth fails to incorporate the depletion of non-renewable resources, and if such calculation is adjusted, SA would have a net negative per person rate of national wealth accumulation, according to even the World Bank.

Going into the Zuma era, South Africa has amongst the world’s highest current account deficits and is the most economically vulnerable emerging market, according to The Economist. After the ANC’s huge victory on April 22, SA is not politically “unstable” in the classical sense of potential government overthrow. But it is a society that is profoundly unstable in the Polanyian sense, i.e., with a powerful double movement operating, because experience has shown that anti-neoliberal resistance can make a genuine difference. The police measured more than 30,000 “gatherings” (15 or more people in some form of protest, for which permission is typically applied for a week ahead of time) from 2004–07. Of these, 10 percent generated “unrest”. But many tens of thousands more spontaneous protests were not recorded, according to a recent survey by Johannesburg’s two leading progressive research institutes.

Still, the late 2000s are probably going to be remembered as the good old days (like Zimbabwe’s 1980s), in comparison to the economic devastation awaiting SA in coming months. Pincer pressures on Zuma will descend from above but also percolate up from below. The impending top-down austerity regime will not be surprising; it was projected in the International Monetary Fund’s October 2008 Article IV Consultation and will strengthen the “1996 class project” (as the SACP term Mbekism, in honor of the year that home-grown structural adjustment was imposed as Mbeki declared, “Just call me a Thatcherite”). That project consists of ongoing technocratic neoliberalism and patronage-influenced resource flows associated with the state’s numerous white elephant projects and Black Economic Empowerment. It is a project whose second wind appears imminent, notwithstanding the Alliance left’s current overconfidence. Manuel warned in the Financial Times late last year, “We need to disabuse people of the notion that we will have a mighty powerful developmental state capable of planning and creating all manner of employment.” In April 2009, rejecting requests for bailouts in specific sectors, he announced to a Johannesburg business audience, “Expectations that government will socialise the costs of irrational exuberance cannot be entertained.” But in reality, in spite of shifting from a small budget surplus to a substantial 3.8% deficit/GDP rate for 2009–10, that’s precisely what Manuel achieved since the mid-1990s by closely tracking SA economic policy onto the financial-speculative trajectory in the United States and Britain.

The IMF suggested that Manuel adopt five Washington Consensus austerity strategies last October, just three weeks before the institution’s managing
director, Dominique Strauss-Kahn, proclaimed that the IMF now supported a 2% budget stimulus “everywhere where it’s possible. Everywhere were you have some room concerning debt sustainability. Everywhere where inflation is low enough not to risk having some kind of return of inflation, this effort has to be made”. Pretoria should have qualified for such a Keynesian seal of approval, but no, according to IMF staff, Manuel should instead:

- run a budget surplus, i.e., “an increase in public saving so as to bring the structural public sector borrowing requirement to zero over the next few years”, but bearing in mind that “cuts in the corporate income tax could boost growth”;
- adopt privatisation for “infrastructure and social needs”, including electricity and transport by “relying more widely on public-private partnerships”
- maintain existing inflation-targeting (i.e. in the 3–6% target range, although inflation was more than 12% in 2008) and “raise interest rates further if supply shocks resume or domestic demand pressures do not dampen”;
- “open the economy to greater international competition” by removing protections against international economic volatility, especially “further liberalization and simplification of the trade regime”; and
- remove worker rights in labour markets, including “backward-looking wage indexation” to protect against inflation.

To be sure, Manuel did not follow this advice immediately; the Alliance left is powerful enough to prevent it if he tried any one of the five, especially right before a national election. But he is playing a complicated game to remain in genuine power in Pretoria while also apparently hankering for more than his present token role in multilateral financial maneuvers. The week before the April 2 G20 meeting in London, Manuel—as chair of the “Committee of Eminent Persons on IMF Governance Reform”—released a report aimed at putting the IMF at “the centre of the world economy”. This would entail a newly empowered ministerial-level Council (a politburo) with strategic decision-making capacity over “system stability, early warning/diagnosis, new lending facilities and the selection of the Managing Director”, who no longer necessarily will be a European citizen. Manuel, who chaired the IMF and World Bank board of governors in 2000 and the Development Committee after that, had long sought conditions for Bretton Woods Institution (BWI) re legitimisation and recapitalization. In 2003, for example, he blithely confessed that BWI governance democratization was off the table: “I don’t think that you can ripen this tomato by squeezing it.” In 2005, when Paul Wolfowitz was named Bank president, Manuel pronounced him a “wonderful individual... perfectly capable”. When Robert Zoellick and Strauss-Kahn were chosen as Bank and IMF leaders in 2007–08, Manuel grumbled to colleagues in SA but did not rock the Washington boat.
Conclusion: The Alliance-Left’s Partial Radicalisation

The recession—and potentially depression—will bring the contradictions of neoliberalism back to South Africa with a vengeance this year and next. In late May, government data showed a 6.4% quarterly GDP decline for early 2009, the worst since 1984. Even in late 2008 it was apparent that labour would suffer vast retrenchments, with a 67% reduction in average work hours per factory worker, the worst decline since 1970. The economy is likely to shed a half-million jobs in 2009, especially in manufacturing and mining. January 2009 alone witnessed a 36% crash in new car sales and 50% production cut, the worst ever recorded, according to the National Association of Auto Manufacturers. The anticipated rise in port activity has also reversed, with a 29% annualized fall in early 2009.

Repossessed houses increased by 52% in early 2009 from a year earlier.

As if anticipating the crash of Manuel’s project, and cognizant of the neoliberal era’s inequality and rising social tension, the SACP had already in 2006 begun to talk much more radically than it had for many years. Their Bua Communisti! statement that year eloquently identified the neoliberal class project as resting upon three foundations: an uncritical “globalisation made me do it” mentality (to borrow John Saul’s phrase) that welcomed foreign trade and finance no matter the damage; an all-powerful presidency; and a modernizing centrist political party. The SACP saw this latter process as “a deliberate strategy to marginalise the SACP and Cosatu and perhaps (in the pre-2002 years) even to provoke a walk-out from the alliance.”24 Contrary to hopes on the independent left, there was never a chance of a walk-out, and the extraordinarily hard work done by trade unionists and communists to revive Zuma paid off inside the ANC, setting back any talk of a Workers’ Party by, probably, a decade.

However, while the independent left as an organized network force is in retreat today more so than at any other time since 1994, the local level eruptions of protests have sometimes been far more effective, though to label these as manifestations of “left” activism would be an exaggeration. The high-profile “no go zone” of Khutsong, not far from Johannesburg, was a telling example. The community there struggled since the early 2000s, when an insensitive demarcation exercise placed Khutsong in the relatively poor Northwest Province, instead of a few kilometers away in Gauteng, the province housing Johannesburg and Pretoria. The extent to which extremely militant community activism—channeled impressively by SACP local leadership—generated dual power during the late 2000s surprised the country, and finally in 2008 the switch to Gauteng province was made. By the time of the 2009 election, the ANC was allowed back, welcomed by a mass rally. The working-class and poor of Khutsong, however, will face the problems of Orange Farm, Soweto, Alexandra, Tembisa, Vosloorus, Ivory Park and so many other sites in Gauteng where protests have regularly shaken the municipalities.

Aside from the anti-retroviral medicines, there were a few major national social movement victories recorded since the early 2000s, such as a Clean Air Act pushed by environmentalists like groundWork, or the Free Basic Services (6000
liters of water, 50 kiloWatt hours of electricity per family each month) promised by the state in 2000 though only grudgingly delivered. The latter was boosted in September 2009 when the Constitutional Court heard the case of several Sowetans who demanded a doubling of the free water allotment to 50 liters per person per day along with a prohibition of pre-payment meters (by which water is self-disconnected). They had won in the High Court in April 2008 but suffered a setback in the Supreme Court of Appeals in February. In local settings there are also occasional victories associated with insurgent protests from below, mainly in defending land invasions, or driving a mining company off indigenous-controlled territory (as happens periodically in titanium and platinum zones), or maintaining illegal water/electricity connections. However, these rare wins for independent-left forces pale in comparison to the social change that is conceivably possible if Alliance-left strategies prove successful.

The period immediately ahead will severely test the opportunities for genuine social democratic reforms, largely because the spike in the 2009 budget deficit—probably above 7% of national income (not the planned 3.8%) given how much worse the recession is than predicted—will set the stage for austere budgets in future. This is an especially dangerous time given the vulnerabilities to a run on the currency, what with the prevailing current account deficit and shorter supply of foreign capital sloshing around the world. Power relations are fluid in this context. Late May was revealing, for in the same week as a bus drivers’ strike that nearly shut down Johannesburg once solidarity strikes were threatened, plus a national one-day public-sector doctors’ stay-away, 2000 metalworkers protested at the SA Reserve Bank to demand a 2% cut in interest rates (the Bank lowered by only 1%).

The latter was notable not only because it reflected the hunger and confidence of angry workers to move beyond the point of production to defend jobs, and the arrogance of the central bank officials who refused to accept the metalworkers’ memo of grievances. Union president Irvin Jim reacted: “Anyone who rejects peaceful demonstrations and refuses to accept petitions from the South African working class, who are experiencing extreme economic and social difficulties not of their own making, is inviting big trouble. You are warned.” But the protest also attracted the first backlash by the ruling party—specifically, ANC general secretary Gwede Mantashe, formerly the mineworkers’ leader—who argued the metalworkers were “counterproductive” and potentially damaging their own cause, because after all, the “door is open” to the Alliance partners. Replied Young Communist League president David Masondo, “Yes, the door is open but the opening is very small for the working class to make an impact. Business has its own way of putting pressure on government, including the threat of withdrawing investment. Workers must go public and strike.”

Strike they did, again and again in the months after Zuma’s election: clothing workers, doctors, municipal workers, miners, even the army (1500 of whose troops were nearly fired in the course of a battle over working conditions and rights to unionise), and many others. Nearly all got wage settlements above 10%. If Mantashe’s Sophistic attempts at persuasion continue to fail, the next
stage of the backlash would be intensified repression; Zuma was, after all, foremost an ANC military leader during most of his career in exile. In September 2009, Zuma appointed the notoriously brutal KwaZulu-Natal police minister Bheki Cele as the national police commissioner and gave a “shoot to kill” order (against criminals) by relaxing slightly restraining legislation. The police have already wracked up a great deal of hits on left and community activists, including apparent involvement in an ethnically-tinged attack on the Durban shackdwellers’ movement Abahlali base Mjondolo in September, and the shooting of a protester in a high-profile Mpumalanga township uprising a few months earlier.

The Alliance left’s radicalization might then finally follow the script that independent leftists always wrote: the contradictions of operating within a neoliberal nationalist political project would ultimately drive out the trade unions and serious communists, to start a new party that might contest seriously for state power in ten or fifteen years’ time. In the meantime, the decommmodification battles won in the initial stages of democracy by AIDS activists and community movements will probably be the kinds of experiences to build upon for both defensive and offensive purposes, as the economic crisis continues to take its toll.

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Notes

2. At that point, a large group of loyalists departed the inner circuit of power, including the neoliberal trade and public enterprises minister Alec Erwin (who in 2003 was touted as a potential WTO head); the brothers Essop and Aziz Pahad who had traveled the exile circuits as Mbeki’s closest confidants and hatchet men; the rambunctious intelligence minister, Ronnie Kasrils (extremely progressive on Palestine, but not on many other issues); the technocratic ministers of local government, Sidney Mufamadi, and of the civil service, Geraldine Fraser-Moleketi; and the latter’s husband, deputy finance minister Jabu Moleketi.
3. Cope is led former ANC party chairperson and defense minister, T error Lekota; former Cosatu general secretary Mbhazima Shilowa, who in the process of committing class suicide, upwards, was Mbeki’s provincial premier in wealthy Gauteng (in which are located Pretoria and Johannesburg); Smuts Ngon- yama who had served Mbeki as chief of the ANC presidency; former anti-apartheid church leader Alan Boesak; former head of the New Partnership for Africa’s Development Wiseman Nkhulu; the vocal former SACP treasurer, Philip Dexter; and Madisha. Cope also recruited a few other ANC leaders before the April election, including Mbeki’s relatively inactive deputy president, Phumzile Mlambo-Ngcuka (whose BEE tycoon husband was Zuma’s first tormentor as national prosecutor, a point remarked upon when she snared Zuma’s job in 2005). Mbeki, however, kept a safe distance and formally retired from politics.
4. In another reflection of ANC big-tent hegemony, the far-right’s Freedom Front leader Piet Mulder was offered a deputy ministry of agriculture, and accepted it, the only opposition member of Zuma’s new team—Mbeki had previously disempowered the black-consciousness party Azapo with the same tactic. The former National Party leader Martinus van Schalkwyk was kept on as tourism minister, but lost the environment portfolio to the relief of many SA green campaigners given his rising international profile as an advocate of carbon trading.
5. *Sunday Tribune*, “Cosatu warns if unions sidelined, it will be war”, April 19, 2009.
6. Nzimande worried progressives with utterances in the SACP e-journal which seemed to misread the growing left critique of university commercialization and repression as merely a “strident voice on asserting of academic freedom in institutions of higher education, but silent on the need to transform the colonial type production and reproduction of knowledge in those institutions.” Blade Nzimande, “Defend and deepen the April 22 electoral victory: The tasks of the SACP and the working class after the elections”, Umshebenzi Online, Volume 8, No. 8, 7 May 2009.


9. Other SACP notables migrating from long parliamentary careers to deputy ministries are the chief ideologue, Jeremy Cronin (transport), and Yunus Carrim (local government). Three obvious omissions, though, are the two Mbeki-era left-leaning ministers, Pallo Jordan (communications) and Zola Skweyiya (social welfare), and the former deputy health minister, Nozizwe Madlala-Routledge, fired by Mbeki for opposing AIDS-denialist policies in 2007, enthusiastically defended by the SACP and health activists, but subsequently dropped from Zuma’s list. There were many other omissions at provincial level, including ready communists and trade unionists overlooked for high-ranking positions.


12. Deepak Gopinath, “Doubt of Africa,” Institutional Investor, May 2003. Others that occurred in the same spirit to the same ends, were the high rhetoric and low performance at the World Conference Against Racism in Durban (2001); the stunted New Partnership for Africa’s Development (2001) and especially its disarming African Peer Review Mechanism (2002) strategy to canvas societies on how to fix problems caused largely by crown-capitalist ruling parties; the World Trade Organisation’s Doha Agenda (2001); the showdowns of the G8 in exchange for photo opportunities, culminating in expansive (yet thoroughly broken) promises at Gleneagles (2005); the “democratisation” of the International Monetary Fund and World Bank (2000-present); “reform” of the United Nations including its Security Council (2006–08); and the Kyoto Protocol process with its carbon trade financing strategy (2006-present). These efforts have all come to naught, aside from positioning Manuel for a potentially much greater personal role in the G20’s IMF-centred efforts to stabilising world capitalism in 2009. The more recent radical-nationalist critique of North-South power relations was often of a symbolic but relatively meaningless nature, e.g. SA’s siding with the Myanmar junta and the Sudanese regime in Security Council votes and International Criminal Court proceedings respectively, or the post-Mbeki government’s refusal in March 2009 to issue a visa to the Dalai Lama at the request of the Chinese government (a major ANC donor). For Zimbabweans, however, enormous damage was done by Mbeki’s repeated inter-imperialist rivalries with the Brits, EU, Commonwealth and US. His objective seems to have been two-fold: forestall the dislodging of the liberation movement by a labour-led opposition party, and retain regional dominance for the sake of SA firms’ penetration of Zimbabwe’s potentially substantial resource base and consumer markets.


17. The Economist, 26 Feb 2009. The order of riskiness is as follows: SA, Hungary, Poland, South Korea, Mexico, Pakistan, Brazil, Turkey, Russia, Argentina, Venezuela, Indonesia, Thailand, India, Taiwan, Malaysia and China.


20. Terence Creamer, “SA’s fiscal response to crisis has been comparatively large, Manuel insists”, Creamer Media’s Engineering News, 6 April 2009.


23. Trevor Manuel, “Report of the Committee of Eminent Persons on IMF Governance Reform”, letter to Dominique Strauss-Kahn, Pretoria, 29 March 2009. Three days earlier, Manuel made a rare unforced error. He defended Pretoria’s denial of a visitor’s visa (for a conference organized by Nelson Mandela, no less) to the Dalai Lama, which occurred at the behest of the Chinese government, a donor to the ANC: “To say anything against the Dalai Lama is, in some quarters, equivalent to trying to shoot Bambi.”
