



CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org.uk
F: +44 (0)20 7957 5710 www.chathamhouse.org.uk
Charity Registration Number: 208223

Programme Paper: AFP 2009/4

The Red Flag Rises: South Africa at the Crossroads

Martin Plaut

Africa Editor, BBC World Service News

November 2009

The views expressed in this document are the sole responsibility of the author and do not necessarily reflect the view of Chatham House, its staff, associates or Council or of the BBC. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the authors and Chatham House should be credited, preferably with the date of the publication.

Summary Points

- At a time of economic difficulty and political unrest in South Africa a divisive debate is taking place within the ruling African National Congress over its relations with the Communist Party and the trade union movement.
- The future direction of the country's economic policies is at stake, as different tendencies within the movement that overthrew apartheid jostle for primacy within government.

INTRODUCTION

There has been a fierce argument within the African National Congress (ANC) over the future direction of government policy. It is a debate that has included its allies in the Tripartite Alliance – the unions (COSATU) and the Communist Party (SACP) - and has raised questions about their role in the running of the country. As the ANC is the governing party for the foreseeable future, this is a battle for the future direction of South Africa itself.

After appointing a Cabinet that brought together all the different strands of opinion within the ANC, Jacob Zuma is having to do the thing he most resists – making choices between conflicting tendencies within his party. Generally a conciliator, this is an uncomfortable time for President Zuma. It is also a time of uncertainty for the nation, for investors – local and foreign – and for South Africa's international allies. The country is gradually coming out of a deep recession, unemployment is on the rise, social unrest is growing and preparations are under way for the largest sporting event South Africa has ever hosted, the 2010 World Cup.

There is a struggle over the future direction of economic policy. President Mbeki was openly willing to face down the radical demands of the left in the wider national interest, by ignoring or isolating them. President Zuma is much more tolerant of the left, which supported his ousting of Thabo Mbeki, arguing that the discussion is little more than healthy debate.

Which way forward?

Like any other party, the ANC includes within it different strands of opinion, but it has always prided itself on being more than just a party. Rather, it sees itself as a representation of the South African nation in all its manifestations. As a result the ANC has contained Africanists, socialists, businessmen and trade unionists. They worked for a common goal – the elimination of apartheid and the establishment of a country in which all had a place in the sun. The Freedom Charter encapsulated these aspirations.

After coming to power in 1994 the ANC had to chart a way forward that was more than just the removal of the previous regime. Like all African liberation movements it was faced with the challenge of ruling the country. President Thabo Mbeki made no bones about his distaste for the left within his party. Through a variety of programmes he opted for a conservative, even orthodox, set of economic measures. This became known to his critics on the left as the

'1996 class project', which had its origins in the negotiations of the 1980s leading to the ending of apartheid (the '1988 class project').¹ The critique was summarised by Jeremy Cronin, Deputy General-Secretary of the SA Communist Party and today the Deputy Minister of Transport:

“Certainly, the '1988 class project' of big capital managed to achieve a strategic dominance within the new democratic state from around 1996. This, of course, reflected in part the global and domestic balance of power (the ruling ideas of an epoch tend to be the ideas of the ruling class). But this successful (if always challenged) hegemony was also secured thanks to the impact of new realities upon, and subjective errors within, what emerged as a dominant leadership axis in the ANC and state. This dominant axis was constituted basically of a new stratum of technocratic state managers and (sometimes overlapping with them) an emerging black capitalist stratum. A political centre within the state and ANC was forged around this axis, and it drove what we have called, in the SACP, the '1996 class project'.”

This 'class project', as Cronin puts it, was resisted by the left within the ANC, as well as the unions and the Communists, but too little effect. Thabo Mbeki saw off the left in no uncertain terms. Speaking at the ANC's policy conference in 2002, he rejected what he called the work of “ultra-left” factions to transform the party into a socialist movement, saying that this was something it had always opposed.

“The essence of their assault against our policies is that these policies do not advance the socialist agenda. This is despite the fact that our movement, like all other national liberation movements throughout the world, is, inherently and by definition, not a movement whose mission is to fight for the victory of socialism.”²

The Left fights back

The revenge of the unions and the Communist party, as well as the left within the ANC, took five years to come, but when it came it was devastating. Mbeki was swept from office as head of the ANC and shortly thereafter lost his presidency of the country. With their victory at the ANC's conference at

¹ See Jeremy Cronin, *The Post-1994 South African State*, 2007
<http://www.sacp.org.za/main.php?include=docs/misc/2007/misc1001.html>

² Thabo Mbeki, Address to the ANC policy conference, 2002
<http://www.anc.org.za/show.php?doc=ancdocs/history/mbeki/2002/tm0927.html>

Polokwane in December 2007 the left believed their time had come. They thought the right-wing in the party (some of whom had left to join the newly formed Congress of the People or COPE) would be isolated and their own candidates would come to power. Hence their distress when Zuma appointed a cabinet of all the talents. Their *bête noire*, Trevor Manuel – who as Minister of Finance had been at the heart of the country's liberal economic policies and a key player in the '1996 class project' – was appointed as Minister in the Presidency, National Planning Commission.³

Worse was to follow. In September Manuel drew up and presented to parliament a Green Paper proposing a system of planning. Its stated aim was to provide a planning context within which all government decisions could be measured.⁴

The left believed this would leave their key allies largely toothless. These included Rob Davies, Minister of Trade and Industry. Davies, a member of the Communist Party Central Committee, was expected to push through the ANC resolution adopted at the Polokwane conference in favour of a "well-resourced industrial policy", despite opposition from the Treasury. His ally is Ebrahim Patel, Minister of Economic Development. A former South African representative on the International Labour Organization and a delegate to the World Trade Organization, Patel is one of several outsiders brought into the cabinet. The creation of his ministry and his co-option to the cabinet were reportedly last-minute decisions made at the insistence of COSATU and the Communist Party.

The battleground was drawn around the Manuel Green Paper. It was rejected by COSATU general secretary Zwelinzima Vavi who said that it reflected what he called "...a massive turf battle in Cabinet." The unions accused Manuel of being determined to sideline Ebrahim Patel. Union leaders expressed concern that Patel, who still had to establish his ministry, would be outflanked by conservatives in the Cabinet, leaving the left without real authority. That Patel still had no budget added to fears that he could end up in much the same position as former COSATU general secretary, Jay Naidoo. Although appointed as the reconstruction and development minister by the then

³ His exact title is important. One of the objections to Manuel from the left is that he has titled himself Planning Minister, something they insist he is not. See Cosatu's submission to parliament, 16 October 2009.

<http://www.cosatu.org.za/show.php?include=docs/subs/2009/submission1016.html&ID=2518&cat=Policy>

⁴ <http://www.info.gov.za/speeches/2009/09090414151003.htm>

president, Nelson Mandela, Naidoo became a 'paper tiger' with little influence in government.

The union's concerns that Ebrahim Patel was being sidelined led to renewed demands for him to be given new powers. Cosatu president Sdumo Dlamini is quoted as saying bluntly: "We envisage a situation where micro- and macro-economic policy is guided by the Economic Development Minister and nothing else."

The unions feared that Manuel would become a Planning Minister with overall control of the economy and direct government thinking as a whole, leaving President Zuma as something of a figurehead. The political report to the 10th COSATU Congress in September stated bluntly that: "The Green Paper conflates the role of the Minister, and the Presidency as a whole; and the Minister's powers substitute for those of Cabinet." It went on to attack Manuel personally.⁵

A congress resolution called for the "...overhaul of the content of the Green Paper on Strategic Planning" and an end to the "...marginalisation of the Alliance and other key ministries in shaping this policy intervention prior to its public release."⁶ The left were, in effect, calling on the ANC to live up to its promises to include them in government – in the shaping of policy and the preparation of initiatives prior to their presentation to the public. If implemented to the letter, this would lead to a transformation of government with parties that had received no endorsement from the electorate (COSATU and the SACP) having privileged access to the levers of power.

⁵ Political Report to the Tenth Cosatu National Congress, 21 – 24 September 2009 <http://www.cosatu.org.za/show.php?include=docs/reports/2009/index.html&ID=2408&cat=COSATU%20Today> :

"Finally, this intervention cannot be considered in isolation from the personality of the office bearer who is driving the Green Paper. In theory, it shouldn't matter, when one is formulating policy, who the office bearer of a particular structure will be.

However, given that the Green Paper proposes a 'Prime Ministerial' role for the Minister, which in many ways will supplant the collective decision making of Cabinet, and even the role of the President, it is unavoidable to consider this dimension. Indeed, the problems identified with the Green Paper proposals, are further underlined by the fact that the current occupant of this position has a history of unaccountability to the collective, imposition of undemocratic structures in the form of an all-powerful Treasury, and open flouting of mandates given by ANC and Alliance structures.

This is also the same person who recently stated (at the World Economic Forum in Cape Town) that business were cowards because they refused to take on the unions. It is of major concern that this proposed structure will give such unfettered power to a person who has abused his power in the past, advances an openly anti-working class agenda, and that the inherited bureaucracy in the Presidency which constitutes the secretariat for this Ministry, largely continues to advance and defend pre-Polokwane positions.

Therefore it should be of serious concern to democratic forces at large that the Green Paper proposes to create this planning function at the apex of government, with both coordination, planning, and policy dimensions, in a way which will put excessive power in the hands of this problematic constellation of forces. Therefore COSATU will engage vigorously to argue for the fundamental overhauling of the Green Paper, and the promotion of an approach which is in line with that advocated at Polokwane, and at the Alliance Economics Summit."

⁶ COSATU 10th National Congress – Declaration, 21-24 September 2009.

The ANC right responds

The right within the ANC (in effect party traditionalists) have been on the back foot since Polokwane and the defection of leading members to COPE. They saw the stand taken by the left as an opportunity to draw a line in the sand. In an outspoken interview in the Mail and Guardian, Billy Masetlha, a member of the ANC National Executive, openly attacked the left. He drew attention to what he described as the growing dominance of the unions and the SACP within the ANC. Masetlha told the paper that a number of senior ANC leaders have expressed disquiet about the push by COSATU and the Communists for a socialist agenda within the ANC.⁷

Masetlha was doing something that few ANC senior members had been prepared to do in recent years – openly attack the role of the SACP and its leader, Blade Nzimande. “I will have a problem with someone trying to impose a communist manifesto on the ANC. We fired a lot of [comrades] in the past who wanted to do the same thing...The ANC was not founded on a socialist agenda. Socialism has no space within the ANC,” he said.

What appears to have sparked off this anger was concern that the ANC’s allies were attempting to meddle in government appointments to ensure that their members got key jobs and thus influenced economic policy. This was expressed by President Zuma during a meeting of the ANC National Executive.⁸

Masetlha’s views received some support, but the ANC officially distanced itself from his remarks. “The notion that the ANC is under threat from ‘the push by Cosatu and the SACP for a socialist agenda’ is unfounded and regrettable”, said the ANC in a statement.⁹ “It is not within the traditions and protocols of the alliance to talk about alliance relations in public and through the media. These matters as reported have not been discussed within the constitutional structures of the ANC. Therefore, they cannot be regarded as the generally held views and perspectives of the ANC leadership,” said the party.

The left was clearly furious. The Young Communists responded to Masetlha by attacking him as a “useful idiot” who worked in the interests of capitalists.¹⁰ The National Union of Metalworkers of South Africa said that: “Comrade Masetlha’s assertions fit squarely into the destructive anti-alliance agenda as

<http://www.cosatu.org.za/show.php?include=docs/declarations/2009/decl0925.html&ID=2440&cat=COSATU%20Today>

⁷ Mail & Guardian, 9 October 2009

⁸ Mail & Guardian, 16 October 2009

⁹ Mail & Guardian, 10 October 2009

espoused by the 1996 class project which was partly dislodged by the majority of delegates in Polokwane. He should know that history is littered with names of far greater men and women who have been lost in the dustbin of political history for their anti communist and anti trade unionist agendas.”¹¹

It was left to Jacob Zuma to appeal for unity within his increasingly disunited Alliance.¹² It is, said the President, the mission of the Alliance “...to keep the ANC strong and united so that it can lead the alliance and the country effectively.”

The next step in attempts to control the growing row was to call a meeting of Alliance leaders at ANC headquarters on 12 October. Behind closed doors they hammered out a statement re-affirming the ANC's right to lead the movement, while at the same time respecting the right of its partners to express their own views.¹³ On the contentious subject of Trevor Manuel's Green Paper the Alliance statement's bland words masked the heat of the debate.

“The meeting further received a report from the work undertaken by Alliance partners in interacting with both the Green Papers on National Planning and Monitoring and Evaluation. It was agreed that the Alliance has reached a stage where it should now align the work undertaken by various components and allow for better synergy and clarify itself on key strategic issues on planning.”

The meeting concluded by agreeing to hold an Alliance Summit in November. As the ANC secretary general, Gwede Mantashe, put it: “Long time lapses between Alliance summits create unnecessary misunderstandings and negative perceptions amongst Alliance partners.”

The context of the debate

This debate comes at a time of considerable difficulty for South Africa. Like other economies it is suffering from the global recession and is likely to see a decline in real GDP of over 2% in 2009.¹⁴ Half a million jobs have been lost in an economy that has amongst the highest unemployment rates in the world.

¹⁰ Statement of the Young Communist League of SA on Billy Masetlha, 11 October 2009

¹¹ NUMSA statement on comments by Billy Masetlha, 09 October 2009.

<http://www.politicsweb.co.za/politicsweb/view/politicsweb/en/page71654?oid=146241&sn=Detail>

¹² Address by the African National Congress President, at the second annual Raymond Mhlaba Memorial lecture, Port Elizabeth 12 October 2009

<http://www.polity.org.za/article/anc-zuma-address-by-african-national-congress-president-at-the-second-annual-raymond-mhlaba-memorial-lectures-port-elizabeth-12102009-2009-10-12>

¹³ <http://www.anc.org.za/show.php?doc=anccdocs/pr/2009/pr1013a.html>

¹⁴ See Absa Capital, South African Economic Perspectives, September 2009

This puts considerable strain on President Zuma who came to power promising to meet the needs of the poor. The poor, perceiving that their demands for housing, schools, water and electricity are not being met, have taken to the streets. Cars have been stoned, municipal buildings set alight and there have been clashes between protesters and armed police that are reminiscent of the days of apartheid. The president complained that there was no reason for these protests in a democratic society.¹⁵ "...burning down libraries, torching people's houses, and looting spaza shops do not build a strong nation. It does not solve our legitimate problems," Zuma scolded.

Despite his best efforts the protests are an almost daily occurrence. The reasons are not hard to find. Many in the ANC leadership have become detached from the realities of life of the people they seek to represent. They are accused of living in the richest of suburbs, driving the most expensive of cars and pocketing public money. This has been widely reported in the local media. It was highlighted in a draft audit commissioned by the Minister of Co-operative Governance and Traditional Affairs, Sicelo Shiceka, in which he questioned the ethical standing of municipal officials, most of whom are members of the ANC.¹⁶

"The lack of values, or ethics, in (some) cases indicates that there are officials and public representatives for whom public service is not a concern, but accruing wealth at the expense of the poor communities [is]A culture of patronage and nepotism is now so widespread in many municipalities that the formal municipal accountability system is ineffective and inaccessible to most citizens... This has been evidenced in the spate of community protests during the course of the year, which may be seen as a symptom of the alienation of citizens from local government."

At the same time there have been warnings of weakness in the economy that are not attributable to the recession. Lumkile Mondi, chief economist at the Industrial Development Corporation (IDC) declared that the country is losing strategic manufacturing capacity while internal power struggles are causing government to drag its feet in terms of helping struggling industries.¹⁷ Mondi

¹⁵ Opening address by President Jacob Zuma to the Presidential Meeting with Executive Mayors and Mayors to discuss improving service delivery in municipalities; Khayelitsha, Cape Town, 20 October 2009
<http://www.thepresidency.gov.za/show.asp?type=sp&include=president/sp/2009/sp10201046.htm&ID=2007>

¹⁶ Sunday Times (South Africa) 17 October 2009

¹⁷ Sake24.com 7 October 2009

said there is still a lack of clarity within government as to who is responsible for what, with the roles of the new state departments, including Economic Development and Monitoring and Planning, still obscure. “The result is that at the end of the recession there will be manufacturing capacity that has simply disappeared and which will never come back,” Mondi warned. He was especially worried about the capacity of the motor industry. “There are many plans, but no-one doing the work. The government must focus on two or three things and do them properly.”¹⁸

David Powels, president of the National Association of Automobile Manufacturers of South Africa, echoed these views.¹⁹ Addressing industry representatives at the Automotive Industry Conference at the 2009 South African Automotive Week in Port Elizabeth he said that the automotive industry could cease to exist in the next five to seven years unless steps are taken to improve its competitiveness.

These warnings come as the country lost an investment worth US\$2.7 billion, when Rio Tinto Alcan shelved a smelter project after concerns about the country’s fragile electricity supply. To lose a project of this magnitude, which would have provided jobs in a deprived area of the Eastern Cape, was a real blow.²⁰ It was another reminder of the cost of failing to make timely investments in the South African infrastructure. Economists have warned about the neglect of vital infrastructure planning, such as sustainable energy, water resources and the absence of a national skills strategy. “Not only has our rural economy’s primary-sector potential been neglected, but also the country’s ageing urban infrastructure has been left to crumble,” said Iraj Abedian of Pan-African Capital Holdings.²¹

These are worrying times for South Africans. The lack of clarity about the direction of government policy is beginning to erode investor confidence. “Perhaps it is too soon to say that investment risk is rising, but investment uncertainty is rising,” says Sanlam Group economist Jac Laubscher. “If that uncertainty is not removed, then it hardens into investment risk perceptions.”²² At present credit rating agencies believe that President Zuma will ride out the storm and do not see a major change in economic policy. But Konrad Reuss of Standard & Poor’s is concerned that Trevor Manuel’s position in government could become impossible. Already his co-author of the Green Paper, Joel Netshitenzhe, has stepped down. “If Manuel, because of the

¹⁸ Ibid.

¹⁹ Fin24.com 7 October 2009

²⁰ Business Day, 16 October 2009 <http://www.businessday.co.za/articles/Content.aspx?id=84167>

²¹ Financial Mail, 16 October 2009

constant sniping, decided to throw in the towel in frustration, it would signal that there's a division in government. If policy continuity became doubtful, that would be a negative sign," warns Reuss.²³

Conclusion

The relationship between the ANC and the left has a long and complex history. The ability of the ANC and the SACP in particular to work together was absolutely vital during the long fight against apartheid. It was only maintained because both parties respected the other's right to organise without dominating each other. But it has not been without difficulties. It was, at least in part, the cause of the split in the ANC that led to the birth of the Pan Africanist Congress back in 1959 and other splits were to follow. In 1969 following the ANC's Morogoro conference, a group of dissidents were expelled for opposing the role of whites in the party, and the role of the SACP in particular.²⁴

One of the most explicit outlines of the relationship between the parties was given by Oliver Tambo in London in July 1981, on the 60th anniversary of the SACP:²⁵

"The relationship between the ANC and the SACP is not an accident of history, nor is it a natural and inevitable development. For, as we can see, similar relationships have not emerged in the course of liberation struggles in other parts of Africa.

To be true to history, we must concede that there have been difficulties as well as triumphs along our path, as, traversing many decades, our two organisations have converged towards a shared strategy of struggle. Ours is not merely a paper alliance, created at conference tables and formalised through the signing of documents and representing only an agreement of leaders. Our alliance is a living organism that has grown out of struggle....

Within our revolutionary alliance each organisation has a distinct and vital role to play. A correct understanding of these roles, and respect for their boundaries has ensured the survival and consolidation of our cooperation and unity.

²² Financial Mail 16 October 2009

²³ Ibid.

²⁴ <http://www.sahistory.org.za/pages/library-resources/online%20books/sacp-eddy-maloka/chapter3.htm>

²⁵ <http://www.anc.org.za/ancdocs/history/or/or81-10.html>

As stated in its programme, the SACP unreservedly supports and participates in the struggle for national liberation led by the ANC, in alliance with the South African Indian Congress, the Congress of Trade Unions, the Coloured People's Congress and other patriotic groups of democrats, women, peasants and youth....

We need, in other words, to consolidate further our alliance and ensure its maximum effectiveness.”

From the Communist Party's point of view the Alliance has certainly worked, providing the party with a platform and a power base it could not have hoped to achieve on its own. But again, the party insisted that it had no intention of dominating or controlling the ANC. The former leader and chief theoretician of the SACP, Joe Slovo explained at length how this worked:²⁶

“The alliance between the ANC and our party has very deep roots in our South African condition. There are no secret clauses and no hidden agenda in this alliance. The stability and closeness of the relationship and the participation of individual Communists in the leading echelons of the national, trade union and other mass movements has its roots in our party's historically-evolved style of work in relation to the mass movements. We have always respected and defended the independence, integrity and the inner democratic processes of the mass organisations. To act otherwise is to suffocate them as creative organs and to confuse manipulation with leadership.”

Slovo then goes on to say that the fact that the Communist party's aim is socialism, while the ANC's is not, has not inhibited this relationship. He concludes:

“Our alliance with the ANC coincides with this approach; it is not and should not be premised on the acceptance by the ANC or any other anti-racist force of socialism as the ultimate liberator. We have every reason to believe that in a truly democratic South Africa the advance towards real social emancipation may well be settled in debate rather than on the streets.”

The difficulty is that the two organisations have rather different final aims. While the ANC's aim was to overthrow apartheid and establish a true democracy, for the SACP this was not the final destination. Rather, they

²⁶ [World Marxist Review, Volume 30, Number 6, June 1987, p. 20.](#)

believed in a two-stage theory of revolution.²⁷ As Joe Slovo put it, “We have never made a secret of our belief that the shortest route to socialism is via a democratic state.”

It is the parameters of the relationship between ANC and the Communist Party that are now being scrutinised. President Zuma argues that debate should be encouraged, that policy is not decided by competing ministers, but by the party itself. And he rejects suggestions that there is any possibility of the Communist Party taking over the ANC.

“Those outside the Alliance (and even some within) have struggled to understand this cross-pollination of ideas. Indeed, many people fear it. And so arises this feverish pre-occupation with a ‘left takeover’ of the ANC. This is not new. For years, the ANC has been advised to break with the SACP. There are those who fear the “unhealthy” influence of the trade union movement. The point that many people fail to grasp is that the ANC, by its own definition and by any objective standard, is in fact an organisation of the left. It is a multi-class national liberation movement with a bias towards the working class and poor.”²⁸

The current crisis may well blow over and appear as no more than a spat in the future. Similar disputes have ended this way in the past. Or it may be that this is the start of something new: The SACP (like the ANC) has to decide whether it will be with the poor when they protest against poor service delivery, or whether they will side with the security forces. These are uncomfortable decisions for both parties. If South Africa’s economic difficulties deepen and the long promised halving of unemployment recedes into the distant future, then these choices will become increasingly stark. It is to be hoped that these debates can be resolved in discussion. If not they could, as Joe Slovo suggested, be settled on the streets.

²⁷ *The South African Working Class and the National Democratic Revolution*
Joe Slovo, 1988, Umsebenzi Discussion Pamphlet, South African Communist Party.
<http://www.sacp.org.za/docs/history/ndr.html>

²⁸ ANC Today, 30 October-5 November 2009.
<http://www.anc.org.za/ancdocs/anctoday/2009/at43.htm#art1>

ABOUT THE AUTHOR

Born in South Africa in May 1950, Martin Plaut received his first degree in Social Science from the University of Cape Town, and an Honours degree in Industrial Relations from the University of the Witwatersrand, before going on to do an MA at the University of Warwick.

In 1978 he worked for a year as an Industrial Relations adviser to Mobil Oil before joining the British Labour Party as adviser on Africa and the Middle East. In 1984 he joined the BBC, working primarily on Africa. He specialises in the Horn of Africa and Southern Africa and is currently Africa editor, BBC World Service News.

He was an Associate Fellow of the Royal Institute of International Affairs, and continues to be an active member.