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TITLE: The Tripartite Alliance on the Eve of a New Millennium: The Congress of South African Trade Unions, The African National Congress and the South African Communist Party.

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**THE TRIPARTITE ALLIANCE ON THE EVE OF A NEW MILLENNIUM:
THE CONGRESS OF SOUTH AFRICAN TRADE UNIONS,
THE AFRICAN NATIONAL CONGRESS
AND THE SOUTH AFRICAN COMMUNIST PARTY¹**

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INTRODUCTION:

This paper argues that the transition from Nationalist Party to African National Congress [ANC] rule, culminating in the elections of April 1994, has involved a realignment in the balance of power between the members of the Tripartite Alliance, comprising the ANC, the Congress of South African Trade Unions [COSATU] and the South African Communist Party [SACP]. The ANC's gradual return to legal activity, *pari passu* with the steady erosion of Nationalist Party rule, during the decade prior to 1994, has led to the consolidation of ANC hegemony, reaching a climax since approximately 1992. It is suggested, however, that this has affected COSATU and the SACP each in a different manner.

The paper is in two parts, with the dividing line roughly at the end of 1991. The first part begins in 1985, the year of COSATU's founding and the beginning of an evolving ideological divergence between the SACP and the ANC. It is argued that this divergence originated from the climate of unprecedented massive township and industrial unrest during 1984-1986 and from the resulting imposition of international sanctions. In the wake of these events, the SACP and the ANC began each to react in its own way. The SACP began to draw closer to COSATU, although not out of interest in a separate alliance, but rather primarily to canvass their membership. In the process, it began to espouse primarily a policy of urban insurrection, rather than that of guerrilla warfare, which both it and the ANC had hitherto endorsed.

The ANC began the long drawn out process of negotiations with state and capital, both domestic and international, which would lead eventually to its unbanning, and coming to power. In the process, the ANC would steadily draw away from the Soviet bloc, both politically and ideologically, and seek an accommodation with the capitalist West. For their part, elements in COSATU began to sound out the possibilities of establishing a separate workers' party with the SACP with which to rival the ANC.

The second part begins with the eighth SACP congress, held in late 1991. It would by now become apparent to COSATU supporters that the SACP was not responding to their overtures. As a result, by the second half of 1992, former COSATU advocates of a pact between the unions and the SACP began to reconcile themselves to accepting ANC hegemony, but also to work within this alliance so as to prevent the ANC from abandoning its stated leftist commitments. The coming into prominence of the concept "radical reform" symptomised COSATU's changing political outlook. Significantly, it was also during late 1992 that negotiations between the ANC and the Nationalist Party would experience a significant breakthrough with the Record of Understanding (signed on 26 September 1992) and the ensuing ANC document, "Negotiations: a strategic perspective" (Friedman, 1993: 160-163; Sparks, 1994: 76-78), making the ANC's eventual coming to power a virtual certainty. Although COSATU would continue to remain a politically autonomous movement with its own vested interests, it would be under increasing pressure to accommodate its long-term ideological aspirations to the new ANC corporatist

state. This would be indicated by COSATU's willing participation in NEDLAC (National Economic Development and Labour Council) established in February 1995. By 1996, however, COSATU would be disappointed in NEDLAC, since it would not be affording it adequate influence in macroeconomic policy making. As a result COSATU had to accept facing diminished prospects within the Tripartite Alliance, and work within the limitations imposed by the ANC state.

While the SACP would remain perhaps more dependent organisationally on the ANC than is the case with COSATU, it would also, on the other hand, explicitly distance itself from corporatist bargaining, and in the process retain a long term ideological identity at variance with both the ANC and COSATU. From 1993 the SACP would become heavily involved in the new Reconstruction and Development Programme (RDP) which it would regard potentially as a paradigm of its own general anti-capitalist post-apartheid revolutionary policies. The RDP in fact became the main theme of the SACP's ninth National Congress held in 1995. This view is admittedly one at variance with the position which sees the SACP as having no clear-cut programme distinct from either COSATU or the ANC. Rather than simply becoming immersed in the ANC's increasingly pro-capitalist world outlook, the SACP would continue to act as a persistent lobby in ANC government circles against the international capitalist great powers. In terms of the Tripartite Alliance, the SACP would therefore continue to be ideologically on its own.

I. IN SEARCH OF NEW ALLIES (1985 - 1991)

A. ANC/SACP RELATIONS PRIOR TO 1985

The alliance between the ANC and the SACP dates back to the Communist Party's foundation in 1953, and was probably a consequence of the radicalisation of the traditionally liberal ANC in the late 1940s. The SACP's predecessor, the Communist Party of South Africa [CPSA], had had much looser relations with the old ANC. The CPSA had, on the other hand, very close ties with trade unions, if only since the founding of the African Mineworker Union [AMWU] in 1941. The AMWU had been under communist influence, which in turn provided the CPSA with a well defined, separate identity. Conversely, the AMWU's defeat and destruction in the mine-workers' strike of 1946 spelt not only a defeat for independent trade unionism for the next twenty five years, but thus also for any foreseeable chance of a communist base independent of the ANC. The radicalisation of the much larger ANC in the late 1940s would make a convergence between the ANC and the Communist Party a natural corollary. While the Communist Party would accept the ANC's new commitment to nationalism, the ANC would eagerly accept the CPSA's trade union contacts.

The CPSA's acceptance of the ANC's to nationalism was officially announced in January 1950, only a few months before the CPSA was banned. It did however criticise the ANC's emphasis on nationalism, but only because it was allegedly not revolutionary enough. At the same time, the CPSA was laying the ground for an accommodation, permitted by the party's two-stage concept of the communist revolution: the "national democratic" or nationalist phase could willingly be supported in the short run, as long as the second, socialist phase was the long term goal (Fine and Davis, 1991: 111-115). This change in official Party line, already prior to the CPSA's banning,

suggests that the Party's subsequent dissolution and reconstruction may well have been not simply a passive reaction to the banning but rather was symptomatic of the new ideological shift, making the old Party inappropriate. From now on, the subsequently newly reconstructed SACP would link its own activities tightly to the ANC, subordinating its trade union orientation to the ANC's nationalist aspirations, at least for the time being (Eidelberg, 1994: 3-8).

It would, however, be erroneous to see the ANC as simply dominating the much smaller SACP during the subsequent thirty years. The ANC after all, depended so much on the SACP. For example, during the 1950s the SACP, because of its own trade union legacy, formed a vital link between the ANC and the unions, including the South African Congress of Trade Unions [SACTU], formed in 1955. After the banning of both the ANC and the SACP in early 1960, the party was at least as active as the ANC in setting up the guerilla organisation, Umkhonto we Sizwe [MK]. In fact SACTU provided many of the officials and rank-and-file recruits for MK (Fine and Davis, 1991: 231; Barrell, 1990: 6-7, 16). Significantly, in contrast to the ANC at that time, MK, from its inception, opened up its membership to whites, thereby greatly facilitating communist penetration (Lodge 1983: 233, 240). In view of the SACP's close ties with the Soviet Union, the party was in a position, already from the 1950s, to provide vital financial assistance as well as intelligence information to the ANC for more than three decades (Davis, 1988: 34; *Star*, 22 Sept., 1995, 21).

During the first thirty years of the SACP's existence, therefore, its relationship with the ANC was one of consistently close identity of interests for the foreseeable future. Only in the long-term would their interests diverge and in fact ultimately clash, when the SACP would want to go further than the more bourgeois oriented ANC and transcend the national democratic revolution for socialism. Yet as long as apartheid domination showed no immediate likelihood of being overthrown, a long-term potential clash between the ANC and the SACP seemed still so far away as to be unclear.

B. COSATU'S IMPACT UPON THE ANC (1985-1990)

The twelve-month period between the massive Vaal Triangle stayaway in November 1984 and the emergence of COSATU in November 1985 would pose a challenge to the venerable ANC/SACP alliance. Until then, this alliance, although banned and thus illegal, had represented the main radical force confronting the apartheid government. In sharp contrast to the earlier SACTU, however, COSATU was a union federation *independent* of the ANC.

"Independent" unions had existed since the early 1970s but, until late 1984 had never become involved with urban, township unrest on a substantial scale. Their capacity to do so now, of course, gave them a good claim to hegemony within the anti-apartheid opposition forces, and at the expense of the ANC/SACP. This in turn, not only challenged the ANC and the SACP, but forced them to redefine their respective policies. In the process, they began to grow apart from each other, no longer, as hitherto only in the long run, but even in their respective perceptions of policy involving the immediate future.

As a result of the widespread township and industrial unrest during late 1984 and 1985 and the concomitant growing threat of comprehensive sanctions from overseas, South African business interests began to indicate their willingness to negotiate with the ANC. This was perhaps, as has been argued in recognition of its own involvement in the increasing threat of organised labour militancy. (Barrell, 1990: 63; Barrell, 1993, 395) Moreover, as a result of mass township and labour unrest, growing pressure for international sanctions was becoming a palpable threat to these same interests. Already at an ANC conference in Kabwe, Zambia, in June 1985, it had been communicated to the delegates that business was eager to initiate informal contacts. Contacts actually began to take place three months later, at Lusaka, by which time comprehensive sanctions had in fact been imposed by the United States. (Barrell, 1990: 62-63; Barrell, 1993: 361-362, 394-395). From the ANC's point of view, the immediate advantage of such talks was that they served, at least *de facto*, partially to rehabilitate it. If it was still not legal to communicate with the ANC inside South Africa, at least it was becoming quite acceptable to negotiate with the organisation outside, (Barrell, 1993: 397-400) More significant, at least for the long-run, was the impact such negotiations would have on the ANC, in making it increasingly oriented towards negotiation and accommodation with capital. As Tom Lodge has suggested, this must have been of concern to both COSATU and the SACP from the outset. (Lodge, 1987: 10-14)

Although, according to Howard Barrell, "COSATU's formation represented a considerable advance for the ANC..." (Barrell, 1993: 409), it has been argued that COSATU presented a serious rival to any future ANC aspirations for hegemony, particularly as long as the ANC remained a banned organisation. The pro-ANC United Democratic Front [UDF] unions were smaller and less well-organised than the COSATU unions and were soon absorbed by COSATU. This process was greatly facilitated by the first state of emergency imposed in July 1985 to cope with the growing township unrest. In contrast to COSATU, the UDF was banned, thereby crippling its influence in the townships and permitting COSATU to fill the resulting political vacuum to its own advantage. (Eidelberg, 1993: 278, 281) Thus, just as the growing industrial labour unrest was putting pressure on capital to negotiate, the formation of COSATU, as a result of this same labour militancy, was putting pressure on the ANC to do the same, if only for fear of otherwise risking political marginalisation.

The ANC was motivated to begin negotiations not only with capital, but with the apartheid state as well. The state was itself increasingly under political pressure as a result of comprehensive international sanctions imposed in the wake of the July 1985 State of Emergency, and this could only make the prospect of negotiation all the more palatable to the ANC. From November 1985 secret talks began between the state and the jailed ANC leader, Nelson Mandela. Simultaneously, Mandela's wife, Winnie, was released from banishment at Brandfort in the Free State and allowed to return to Johannesburg (*Star*, 12 Oct., 1995, 1; Sparks, 1994: 61-62; Barrell, 1993: 410-412).

Glenn Adler and Eddie Webster argue that writers on transition theory "overlook the labour movement as an important actor in precipitating and securing the transition to a democratic order." (Adler and Webster, 1995: 92; Adler and Webster, 1995: 76-77). Adler and Webster emphasise the militancy of the new COSATU movement, particularly during 1988-1989, as a crucial factor in pressuring the Nationalist Party government finally to begin the process of unbanning the ANC from late 1989. (Adler and Webster, 1995: 82, 92) As I have suggested,

however, while the radicalisation of labour from 1984 onwards played a crucial role in starting the negotiations it could not, even in conjunction with sanctions, have an impact sufficiently powerful to bring these negotiations to a successful resolution. Furthermore, by 1988-1989 the apartheid state was increasingly losing its autonomy to the international capitalist world. It can therefore be questioned whether indeed the pressures of COSATU upon the state were even as relevant as they had been in 1985. Was there by then, a South African polity still autonomous enough *vis-à-vis* the overseas world as to be capable of being pressured by its own civil society?

In 1985 Western sanctions still depended on labour unrest and the resulting state of emergency for their justification. This, in turn, had dramatically projected COSATU's image overseas. By 1988-90, on the other hand, international pressure, including the possibility of further sanctions, had acquired a momentum of its own, probably enough to persuade Pretoria to agree to give up Namibia and transfer power to the ANC. The factor of labour unrest, while still a reality, was no longer an essential factor influencing South Africa's negotiations with the West. COSATU's international relevance, particularly *vis-à-vis* capitalism, would correspondingly be in decline while in contrast the ANC's international profile had improved. From 1989, with the Namibian accord already signed, the ANC became the Nationalist government's indispensable negotiating partner concerning the future South Africa.

C. COSATU'S IMPACT UPON THE SACP (1985-1991)

At the same time as the ANC was beginning to distance itself further from COSATU by negotiating with both capital and the apartheid state, the ANC's close ally, the SACP, was seeking in turn to distance itself from the ANC by moving closer to COSATU. According to Jeremy Cronin, today Deputy General Secretary of the SACP, "from then on, from that November [workers'] stay away onwards, the real focus, the cutting edge of struggle, became the African township." (Barrell, 1993: 360) At the sixth SACP congress held in Moscow in December 1984, a month after the Vaal Triangle stay away, the SACP allegedly resolved henceforth to focus its recruiting less from within the ANC and more from within the emergent trade union movement. (Barrell, 1993: 364) At the same time, the SACP began to publish its journal, *Umsebenzi* ("The Worker") directed specifically at trade union shop stewards. (Cronin, 1992: 86; Cronin, 1996; Barrell, 1993: 365)²

The SACP's new emphasis on links with COSATU involved actively taking an ideological position at variance with both that of the ANC, and with conventional communist theory. According to Cronin, "[i]n about 1985-6 the Party as a collective entity, woke up a bit and realised it had submerged itself perhaps unduly within the ANC." (Cronin, 1990, 7-8; Cronin, 1992, 85) Although the ANC traditionally appealed particularly to middle-class ideals, it had been able comfortably to ally with the SACP as long as the latter subscribed to a Marxist-Leninist two-stage theory of revolution. Hereby a well defined capitalist, "national democratic" phase would prevail for a long time, only to be followed by a second revolution, ushering in socialism. This symbiotic arrangement was however now in jeopardy. With the SACP's new orientation towards appealing to COSATU's membership (Cronin, 1992: 85) and its growing fear of being abandoned by its traditional ANC ally in favour of open ended negotiations with the capitalist, imperialist world, the SACP now partly distanced itself from the classical two-stage theory. As Cronin

would point out a year later, in 1986,

the national liberation struggle in South Africa ...should ... assume ...an increasingly anti-capitalist character...because... [i]t is conceivable that certain elements currently within the broad national liberation struggle will seek, with help from other quarters, to arrest the liberation struggle, being content with a boardroom shuffle (Cronin, 1986a: 77-78).

In reaction to fears that negotiations would induce the ANC to move to the right by accepting "cooption" into the capitalist world, the SACP was positioning itself to the left of the ANC, even for the immediate future. The SACP would demand certain radical anti-capitalist, even socialist, reforms already during the first, national democratic, phase of the revolution, corresponding to the projected period of ANC rule. This would presumably prevent cooption by keeping the future ANC government in harness, prior to what was expected to be the second, socialist phase when the SACP was to take over. The distinction between the national democratic and the socialist phases, while still substantial, would be a matter of degree, and less clear cut. (Cronin, 1986: 29, 36-37; Cronin, 1992: 83-86). These views would be further endorsed at the subsequent SACP seventh party congress in early 1989. (*African Communist*, 1989: 107-108)

In one respect, however, both the SACP and the ANC modified their views in tandem. Until now both the SACP and the ANC had focussed their attention to a considerable degree on guerilla warfare. With the mass unrest on the Rand, however, the SACP turned its attention more to workers' insurrection. The Kabwe conference of June 1985, which, as we have seen, saw the beginnings of the ANC's own shift to a strategy of negotiation, simultaneously made official its preference for supporting mass insurrection rather than guerilla warfare. (Bundy, 1989: 8; *African Communist*, 1989: 95-96, 120-126) This would be emphasised in particular by the SACP during the next few years, culminating in endorsement at its seventh congress. Thus, as Karl von Holdt, editor of the *South African Labour Bulletin*, would point out, in referring to the "period of mass uprising in 1984-6," "[i]t was precisely this period that inspired the party to adopt an insurrectionary perspective in *The Path to Power*," (von Holdt, 1990: 14; 12). the programme of its seventh congress.

D. COSATU AND THE SACP(1985 - 1991): WHOSE WORKING CLASS?

During the second half of the 1980s, therefore, the ground appeared to have been prepared for a possible rapprochement between COSATU and the SACP. Both, had after all, interests in common. In particular, they felt uncomfortable with a resurgent and increasingly self-assertive ANC, albeit not necessarily in the same way. The return of the ANC now challenged COSATU's own recent and hard-won hegemony. To the SACP, on the other hand, it meant the end of a close symbiotic relationship with the ANC in which the two organisations had always treated each other as equals. Not surprisingly, tentative efforts appeared to have been made from both COSATU and the SACP towards such a rapprochement during 1989-1991. (Eidelberg, 1993: 282-291) This, however, led mainly to COSATU's admission into a general tripartite alliance with the ANC and the SACP, rather than to any separate specific dual alliance between COSATU and the SACP. For although both organisations were feeling to a significant degree marginalised by, and/or disenchanted with the ANC, the divergence between their own respective interests would continue to keep COSATU and the SACP apart. These divergences, in turn, would be an

important factor, if not necessarily the primary one, facilitating the ANC's eventual hegemony within the tripartite alliance by the end of 1992 and its official coming to power about a year later.³ After the 1994 elections the fundamental difference of interests and thus of outlook would continue to help prevent the emergence of any serious political rival to the ANC.

While both COSATU and the SACP championed the trade unions as central to their strategy of transforming society, each did so within a different context. For COSATU, the unions were by definition their main constituency. For the SACP, the organised workers were important primarily in that they were the more fortunate, politically more effective members of the masses. They should be in fact be harnessed by the party to lead the rest to revolutionary, socialist change. (SACP, 1996: 4-5) As Cronin stated, "[t]he trade unions *and* [emphasis added] workers generally have a key role to play in this transformation struggle." (Cronin, 1995: 49) More pointedly, according to Chris Hani, Secretary General of the SACP, "the SACP champions the interests of the workers and the poor." (Hani, 1992: 12) Hani's views, in fact, directly reflected the recent SACP manifesto, published on the occasion of the party's eighth congress at the end of 1991, according to which the SACP sought "to ensure that the interest of the working people and the poor of our country are prioritised." (SACP, 1992: 19) Thus the SACP strategy conference of May 1993 would emphasise its desire to represent the entire working class, including the "marginalised 70% ... the rural poor, unemployed youth, rural labourers... [which] are characteristically scattered, disorganised and unskilled." (SACP, 1993a: 22) This dichotomy between the constituencies of COSATU and the SACP was also acknowledged by sources outside the SACP, themselves associated with COSATU. According to Webster and Devan Pillay, editor of *Work in Progress*, an alliance between the SACP and COSATU would have the distinction of leading to "a party of the whole working class, which consciously forged unity between organised and unorganised workers, and the unemployed." (Pillay and Webster, 1991: 37)

II. THE NEW ALLIANCE (1991 - 1996)

A. THE EIGHTH SACP CONGRESS (DECEMBER, 1991)

By the eighth Party congress held at the beginning of December 1991 in Johannesburg (*African Communist*, 1992: 1), it was becoming clear that any hoped-for alliance between COSATU and the SACP would not materialise. In particular, there was no hint of any major change in the SACP's relations with the ANC and COSATU. This absence of change, combined with a reluctance by the majority of the SACP congress to change the term "socialism" to "democratic socialism" (*African Communist*, 1992: 2) elicited an article by Pillay, expressing disillusionment. (Pillay, 1992) During the previous two years, Pillay had been a leading advocate of a special alliance between COSATU and the SACP, in which the SACP would be subservient to the unions (Pillay, 1990: 26-27). For him, as well as for others sharing such views, the term "democratic socialism" had a very specific connotation. It implied that in any such alliance, the unions would ultimately have to have hegemony. In the article published jointly by Pillay and Webster, only a few months before the eighth Party congress, they had concluded by emphasising that there was "evidence to suggest that a new relationship is evolving between the SACP and COSATU in which independent and democratic trade unions are seen as an indispensable foundation upon which a democratic socialism is built." (Pillay and Webster, 1991: 37) Thus, COSATU and the

SACP had brought to the fore a different kind of “working class politics” - one which can flow comfortably with the broad current of [SACP] ‘national-democratic’ politics, giving it a distinct democratic working class imprint. This is to ensure that national liberation proceeds to a democratic socialism, and is not diverted to one or other form of exploitative [neo-Stalinist or Trotskyist] authoritarianism. (Pillay and Webster, 1991: 35).

But Pillay now pointed out that at the eighth congress, “a clear definition of a (non-authoritarian) socialism was not forthcoming”. (Pillay, 1992: 21)

It is however unlikely that the controversy over the term “democratic socialism” had the same connotation within the SACP itself as it did for Pillay. There is no doubt that the SACP, since 1985, had been consciously acquiring an ideological identity more at variance with the ANC than had previously been the case. It is equally clear that this involved also, if not primarily, a rapprochement with the independent trade union movement, if only to terminate the previous state of hostility which had always existed between the independent trade unions and the ANC/SACP alliance. More importantly, this reconciliation would have the vital advantage of facilitating the SACP’s goal of canvassing support from the unions’ rank-and-file membership. But this had not necessarily implied a desire to form an alliance specifically with COSATU. And while it is evident that there were numerous soundings from COSATU, including the General Secretary of NUMSA [National Union of Metal Workers of South Africa], Moses Mayekiso (Mayekiso, 1992: 112-113) and COSATU’s supporters from the intelligentsia, such as Pillay and Webster, for such an alliance, there is no such evidence of any similar soundings from the side of the SACP (Cronin, 1996).

In an interview in November 1990, Cronin stated that “the Party mustn’t become an oppositional force: that would weaken the thrust of the national democratic transformation that’s occurring and indeed the socialist project in the longer run.” (Cronin, 1992: 88-89). Two months earlier, he had written that

workers should not be pulled out of the ANC, and leave the ANC to the middle strata. The task is to build a progressive working class-oriented ANC that is not anti-communist. This will place limitations on building a mass socialist or Communist Party. (Cronin, 1990: 6)

Moreover, such a political realignment would have obviously risked the continued independent identity of the SACP in view of the fact that COSATU was by far the larger and more powerful organisation. Just because COSATU and the SACP’s constituencies considerably overlapped, in contrast to the increasingly middle class-oriented ANC, the rivalry between the two putative allies would have been intense, with the outcome predictable: the nominal survival of the SACP, but under complete COSATU domination. On the other hand, there is every reason to believe that the SACP must have welcomed the admission of COSATU into the new Tripartite Alliance on 9 May 1990, (Baskin, 1991: 430-434), if only as a hoped-for counterweight to the ANC *within* this alliance.

It is more likely that the debate of whether to replace “socialism” by “democratic socialism” revolved not so much around the question of whether to enter into a special alliance with COSATU, but rather on the less contentious issue of whether to further highlight the SACP’s growing ideological independence from its ally, the ANC, while still maintaining a looser presence

within the Tripartite Alliance. This, after all, would only have meant an intensification of a trend already evident in the SACP's long term policy since 1985. The motion to accept the term "democratic socialism", itself, would, as the term implied, fit nicely into the post-1985 policy of trying to smooth the transition between the national democratic and the socialist phase of the SACP's long term revolutionary strategy. By reemphasising this policy, the SACP would thereby also emphasise its opposition to a capitalist-oriented ANC hegemony after the future national elections.

As Adam Habib observed early in 1991, there has always been a link between the SACP's theory of revolution and its alliance with the ANC. He suggested that the SACP was reluctant to reject

the conception of the transition to socialism occurring over stages. And for good cause. Rejection of this strategy would of course require the organisation to jettison the theory of National Democracy... [which, in turn,] would immediately compel the organisation to review its strategic alliance with the ANC...." (Habib, 1991: 72; Habib and Andrews, 1990: 91)

It can be argued, however, that the SACP, while not willing to abandon its alliance with the ANC, had, since 1985, been eager to loosen it. Correspondingly, while it had not abandoned its view of socialist transition occurring over stages, it had made this distinction between stages somewhat less precise. The issue at the eighth Party congress was essentially whether the distinction should be further blurred, thereby loosening the alliance still more.

Significantly, Joe Slovo, the outgoing General Secretary of the SACP, supported the term, "democratic socialism" in his political report to the eighth congress, and also reminded his audience that socialist ideas should be propagated already during the national democratic phase of the revolution as there was "no Chinese wall between social systems." (Slovo, 1992: 26; Slovo, 1990: 44) A simultaneous appeal, ultimately rejected, to drop the term "Marxism-Leninism" for the simpler Marxism (*African Communist*, 1992: 2) would only serve to facilitate such ideological innovations by making the SACP's doctrines more flexible and more accommodating. Dropping the term Marxism-Leninism, however, would not necessarily prevent the SACP from continuing to see itself as the "vanguard" party of the proletariat, and thus maintain hegemony over its movement (Zita, 1996). Likewise, Slovo supported the term "democratic socialism" in his report, while continuing to emphasise the concept of the SACP as vanguard. (Slovo, 1992: 29-32) The concept of "vanguardism," in turn, would itself have been incompatible with any special alliance with COSATU, particularly if the latter insisted on hegemony within such an alliance.

B. IN THE WAKE OF THE EIGHTH CONGRESS: COSATU AND RADICAL REFORM (1992 - 1995)

With the eighth congress of the SACP, a disillusionment appears to have also set in among a number of COSATU's supporters. The prospects of any chance of an alliance between the SACP and COSATU, which could have acted as a counterweight to the rapidly ascending prospects of the ANC appeared increasingly dim. It is within this context that the concept, "radical reform" became increasingly discussed in trade union circles during 1992⁴. In a paper delivered in

August 1992,⁵ Webster and Von Holdt suggested that the SACP had three options open to it: "democratic socialism - or what we call radical reform - or the commandist tradition of Marxism-Leninism." (Webster and von Holdt, 1992: 24) They argued that the SACP, at its congress, had not been able to make up its mind on which of these options to follow (Webster and von Holdt, 1992: 24) and thus they were, themselves, taking the initiative, and choosing to pursue: "what we call radical reform."

A key attribute of radical reform was its advocacy of multiparty negotiating forums, now increasingly under the aegis of a future ANC government. (Webster and von Holdt, 1992: 22-24) This was not dissimilar to traditional South African corporatism but socially more inclusive, and, like corporatism, based on compromise with capital and the state. (Webster and von Holdt, 1992: 1; Webster, 1993: 5) By contrast, the manifesto published by the SACP on the occasion of its eighth congress had stated categorically that "social democratic pacts between organised labour and capital are destined to fall far short of providing basic remedies. Such pacts...leave the capitalist class in the economic and political driving seat..." (SACP, 1992: 16; Von Holdt, 1992: 68)

Webster's own renewed espousal of radical reform - which was now increasingly in the sense of an alliance with the ANC - was in turn, to be paradigmatic of much of COSATU's thinking as the 1994 elections approached. Others, such as Geoff Schreiner, a research officer at the NUMSA had, like Webster, until then been a strong advocate of a trade unionism independent of state influence. Schreiner had questioned Von Holdt's special union alliance with the ANC. (Schreiner, 1991: 33, 36) On the other hand, in mid 1992, he and a NUMSA colleague, Adrienne Bird, would jointly be publishing an article, significantly entitled, "COSATU at the Crossroads: towards tripartite corporatism or democratic socialism?" They would now "acknowledge the importance of [COSATU's] alliance with the ANC" (Bird and Schreiner, 1992, 32), arguing only for a modified, more inclusive multipartite version of corporate (collective) bargaining, comprising also "civics, women's groups, associations of the unemployed and the aged, consumer and rural organisations..." (Bird and Schreiner, 1992: 29; Bird and Schreiner, 1992: 28, 32). Bird and Schreiner had then in turn influenced Webster and Von Holdt's joint 1992 paper. (Webster and von Holdt, 1992, 23-24)

One year after the 1994 elections, the ideas of radical reform were institutionalised in NEDLAC, established in February 1995. Webster referred to NEDLAC as an example of multipartite corporatism, including not only government, organised labour and organised business, but also a fourth constituency representing "community and development". (Webster, 1995: 25-26) Just how important this fourth chamber was in practice, was, however still not clear. The community and development constituency, as Webster himself pointed out, "was not even represented at the NEDLAC launch". (Webster, 1995: 27) Moreover, admission of organisations to NEDLAC's fourth chamber appeared to be slow. (Webster, 1995, 27; Bendix, 1996, 242-243) Some business circles in fact appeared to see NEDLAC simply as an example of "tripartism". (Levy, 1995: 3; Business Day, 1996: 16)

As Webster emphasised, because many of the groups to be represented in this fourth chamber, including the youth and students, the unemployed and the aged, were "the weakest, the poorest and the most marginalised, they [would] experience the most difficulty in developing their capacity". (Webster, 1995, 28) This was an important point, one which complemented Laurence

Harris' statement made two years earlier that "there are large numbers of poor and oppressed South Africans whom the civics and trade unions do not represent and who are outside any significant radical popular initiative." (Harris, 1993: 95) Indeed, the very type of reconstruction of the South African economy, involving participative management, which radical reform, and NEDLAC entailed, was apt to

"reflect the interests and aspirations of the most skilled and articulate workers and neglect the interests of the semiskilled and unskilled. [These] could be pushed to the margins of society together with the vast masses of unemployed." (Joffe, Maller and Webster, 1995: 104)

As a result, the masses of the unemployed, the unskilled and the destitute, might be forced to look elsewhere - for example to the SACP.

C. THE SACP ON ITS OWN: SOCIALISM IS THE FUTURE, BUILD IT NOW? (1992-1995)

One of the criticisms levelled at the SACP is that it has been unable to forge an identity of its own, distinct from that of its alliance partners. (Habib, 1991 ; Habib, 1991a: 45; Bundy, 1992: 102; Bundy, 1993: 17-18; Bundy, 1993a: 38; Fine, 1994: 24) In fact, it has been convincingly argued that quite the opposite is the case. (Hudson and Louw, 1993: 37-39) For the SACP, perhaps even more than for the ANC or COSATU, the question of identity has always been paramount. For the past decade, the SACP has steered a course of relative independence of the ANC. Rather than, on the other hand, entering into a close separate alliance with COSATU, the SACP preferred the formation of a looser Tripartite Alliance in 1990. As I have argued, the SACP's desire to stay relatively independent of both the ANC and COSATU probably played an important role, if not the only one, in motivating COSATU finally to come to terms with the emerging ANC state by accepting a corporatist role within the new hegemonic order. How, on the other hand would the SACP itself deal with its own role in the New South Africa?

Perhaps the most salient characteristic about the SACP has been its anti-capitalist position (Hudson and Louw, 1993: 38-39), which has tended to be noticeably more uncompromising than that of COSATU and the ANC. With the SACP's return to legality in 1990 its position on capitalism would increasingly become a more practical and more urgent issue than even before. This was all the more so because the SACP's return would ironically coincide with the destruction of the Soviet Bloc and the consequent hegemony of international capitalism. Within this context, the ninth Party congress's (April 6-8, 1995) statement that "the main strategic opponent ... remains capital, both national and international" (SACP, 1995: 8) must have been a remarkable understatement.

The collapse of the Soviet bloc from the end of 1989 was a crucial factor in persuading the SACP to modify its 1985 policy at least in one important respect. The policy of mass urban insurrection, notably emphasised at the seventh Party congress, held towards the beginning of the year (Eidelberg, 1993: 284-285) had to be dropped in favour of a policy of negotiation. This new policy would put the SACP in a dilemma: how to adopt a new policy of negotiation, yet at the same time, continue to pursue the traditional policy of militant anti-capitalism. Already towards

the end of 1990 Cronin had referred to a policy of negotiations in view of the changed international situation. (Cronin, 1992: 87-88). This point had then been made official one year later at the eighth Party congress, in which it was stated that "negotiations are a terrain of struggle". (SACP, 1992: 11)

But the new policy only really appeared to come into its own after the key breakthrough in negotiations between the ANC and the SACP, on the one hand, and the Nationalist Party on the other, known as the Record of Understanding in September 1992. Two articles, in particular, one by Slovo (Slovo, 1992a) and the other by Cronin, were devoted to endorsing the agreement and repudiated the previous policy of insurrection endorsed at the seventh Party congress. (Cronin, 1992a: 44-46) Elaborating on what he had already referred to two years before, Cronin emphasised the necessity for constant mass mobilisation to accompany the negotiation process. (Cronin, 1992a: 48-51) It is evident that in this respect, the policy of "overlap" between the national democratic phase (coinciding in effect, with the ending of the apartheid state⁶) and the future socialist phase of the revolution was to continue.

Paradigmatic of what the SACP sought for its post-apartheid national democratic revolution would be the RDP, and this programme, more than any other project, has during the last three years preoccupied the SACP. Even the new editor of the *South African Labour Bulletin*, Deanne Collins, in an otherwise generally negative article on the party, emphasised that it had "always given clear support to the...RDP" (Collins, 1995: 75). The RDP would obviously correspond to what Cronin had in mind in terms of a general anti-capitalist mass mobilisation, which would permit even individual socialist projects to be built *ad hoc* already during the national democratic, post-apartheid phase of the revolution. In an era when the Soviet Bloc no longer could act as a buffer against Western capitalism, the national democratic transformation, itself, had to be made "in the interstices of a globalized capitalist economy." (Cronin, 1995a: 10)⁷ The RDP fitted into this role since its programme was seen to be fundamentally within the national democratic perspective. (Cronin, 1995a: 5)

The RDP had originally been launched by COSATU in January 1993. (Etkind and Harvey, 1993: 84; Gotz, 1996, 10-11) Its importance to the SACP would be evident in that it would become the theme of the following Party congress held April 1995. The ninth congress's slogan, "Socialism is the future, build it now," evidently applied to the RDP and, like it, had been an integral point of reference for the SACP since 1993. It appears to have been first introduced by the General Secretary, Charles Nqakula, himself successor to Hani after his assassination in April 1993. Ironically, the occasion was the COSATU special congress held in Soweto in September of that year. (Nqakula, 1993: 9, 13)

This slogan resembled an earlier one, coined by Alec Erwin, National Education Officer for COSATU's predecessor, the South African Federation of Trade Unions [FOSATU] in July 1985, and entitled "Building tomorrow today". (Erwin, 1985: 55, 68-70) Erwin had at that time used the slogan to attack the SACP's two stage policy, which he felt needlessly and dangerously postponed true socio-economic transformation for the sake of the national democratic revolution. Instead, Erwin argued for transformation to begin even without revolution, if necessary (Erwin, 1985: 55, 68-70; Friedman, 1987: 499), in effect the philosophy of COSATU and the independent unions. Erwin's paper had elicited a reply from Cronin arguing that the SACP in fact itself opposed "erecting a wall between 'liberation politics' and 'transformation politics'" (Cronin,

1986: 37) - one of the earliest SACP arguments for its new, modified two stage theory, and clearly the precursor of "Socialism is the future, build it now!"

In May 1993, only a few months before, when the RDP had first been officially discussed at the SACP strategy conference, it was referred to as simply a "reconstruction pact." In contrast to COSATU's similarly worded "reconstruction accord" (Gotz, 1996: 10-11), the SACP's "pact" was not conceived in corporatist terms: pacts with capital were not integral to it. *Ad hoc* pacts might be entered into with capital but only if "guided and strengthened by the institutional and policy framework of the reconstruction pact". (SACP, 1993: 25) According to Langa Zita,⁸ two or three months later, apparently elaborating on this discussion paper, there had been a shift within leftist political circles, during the course of 1993, from focusing on a (corporatist) social contract in favour of a reconstruction programme. (Zita, 1993: 20) The social contract could be accepted only under a broader anti-capitalist reconstruction programme: "Our major challenge presently is to evolve an anti-capitalist path of development." (Zita, 1993: 27; 25-26; Zita, 1996)

The programme's implications for general economic development would subsequently be spelled out by the ninth Party congress: "the central thrust of the RDP [would amount to] ...massive inward industrialisation based on urban and rural infrastructural development". (SACP, 1995: 6) Economic growth and international competitiveness should in fact be subordinated to social needs. (SACP, 1995, 18) Thus, the RDP should be the engine of a "*national*" [emphasis in the original] democratic revolution seeking successfully to confront international capitalism. (SACP, 1995: 9) The concept was reminiscent of the Soviet precedent of the 1930s, but could it work for the twenty-first century?

This option had been raised at the May 1993 strategy conference only to be immediately dismissed: "socialism in one country" could not be repeated - the New South Africa lacked two ingredients the Soviet Union had possessed: space and time. Instead, the conference appeared, like Russia in 1917, to pin its hopes on "the regrouping and resurgence of left forces world-wide." (SACP, 1993a: 17). Another option considered was integrating the national reconstruction programme with southern Africa's economy into a large economic common market:

the reconstruction pact must be based on the ... social policy of growth through redistribution. Without ignoring the need to develop the export sector of our economy, the main thrust of this redistribution should be large-scale inward industrialisation, expanding and widening (through rising employment) the domestic and sub-continental market. The emphasis must be on housing, education and electrification ... to promote employment, stimulate the manufacturing sector ... (SACP, 1993: 27)

The SACP would, therefore, continue to represent the poor and the unorganised. The strategy conference now referred to them as "[f]ourth world' blacks' - including migrants, rural peoples, the urban marginalised, southern African refugees". (SACP, 1993: 57) Clearly any socio-economic integration with southern Africa would be only to the SACP's advantage, since it would massively widen its natural political constituency.

The SACP's views on the RDP can thus be seen as a distinct position quite outside the new establishment corporate politics exemplified by both the ANC and, increasingly, also COSATU.

Although it had since 1990 reluctantly been forced to accept negotiation instead of insurrection, the SACP continued to keep a political position well to the left of the ANC. Particularly after 1992, the SACP also distanced itself from COSATU's espousal of radical reform, evidently viewing it as an unacceptable compromise. A measure of the growing ideological void separating both COSATU and the ANC from the SACP was illustrated by the views of COSATU's Erwin, since 1994 Deputy Minister of finance in the new ANC-led government of national unity. In early 1994, shortly before the elections, he emphasised that while the market was by itself not the whole answer to the RDP, "[the] private sector and market forces are vital components." (Erwin, 1994: 42)

This perspective is admittedly at variance with the position that COSATU, in conjunction with the SACP, could serve effectively to move the ANC government in a leftwards direction, away from neo-liberalism. (Webster and Adler, 1996: 3, 19⁹) Indeed, one of the conditions favouring the advent of ANC hegemony has been in effect the long term inability of COSATU and the SACP to form an effective coalition of their own, either within or outside the Tripartite Alliance.

D. THE DEMOCRATIC STATE AND THE NEW WORLD ORDER

As this paper argues, a key reason for the ANC's steady rise to power during the past decade was its ability to interpose itself as power broker between the international financial and commercial community on the one hand, and domestic political rivals on the other. By 1994, this basic strategy had originally enabled the movement, to successfully eclipse the Nationalist Party and the Pan African Congress. This same strategy, both before and after 1994, would be used against the ANC's partners in the Tripartite Alliance. And just as the ANC had profited politically at the expense of the Nationalist Party first by the passage of comprehensive sanctions in 1985 and subsequently by their removal during the 1990-1994 period, it would profit at the expense of its Tripartite Allies, by gradually beginning to remove exchange controls, and passing other measures to liberalise the economy during 1995-1996.

Within less than a year after the elections, the Minister of Finance, C.F. Liebenberg, on 10 March, 1995, announced the abolition of the Financial Rand, in order to make investing in South Africa more attractive to overseas capital . The Financial Rand had been a device which had served to block the ability of non-residents to repatriate any proceeds from the sale of their South African investments¹⁰. From now on, therefore, all controls on non-residents' ability to move their capital would be removed. (*Star*, 22 Feb., 1994: 15; *Financial Mail*, 17 March, 1995: 49; SA Reserve Bank, June., 1995: 25-26).

This move would only serve to further increase pressure for further relaxation of exchange controls, this time in favour of domestic residents. Foreign investors were particularly interested in the extension of their own newly acquired privileges to South Africans, themselves. The reasoning was that once South Africans could move their own assets offshore, this would, in exchange, create opportunities for further foreign investments in South Africa. (Manuel, 1995: 4) In fact, the abolition of the Financial Rand may well have contributed to the increased volatility and ultimately the sharp and steady depreciation of the Rand, so evident from February 1996. Foreign capital, rather than being encouraged by this half measure, became if anything more reluctant to invest in South Africa, pending a clear resolution of government monetary

policy. The distinct possibility of a full abolition of exchange controls in the not too distant future, and its implications for the devaluation of the Rand, made any new investments risky. These fears, however, themselves served to erode the Rand. (*Business Day*, 10 May, 1996: 19; ANC, 1996: appendices 1 & 2).

There seems to be general agreement that, it was in reaction to the sudden deterioration of the value of the Rand, that the government published, on 14 June, 1996, its *Growth, Employment and Redistribution* (GEAR) document (ANC, 1996: 1, 20 & appendix 2; COSATU, 1996: 3; Adelzadeh, 1996: 10). The document advocated in terms probably even more explicit and forceful than previously its commitment to neoliberal economic policies. In doing so, it clearly challenged its Tripartite Allies. In particular, GEAR strongly supports a two tier wage system, in the interests of adapting to international competition and in sharp contrast to the national minimum wage advocated by the unions:

As South Africa proceeds with trade liberalisation and adapts to international competition, downward pressure will be placed on unskilled wages. If this is not accommodated by the labour market, then unemployment will rise and irregular, insecure forms of employment will increase. Employment of skilled workers and their wages are, by contrast, likely to rise as skills are in relatively short supply (ANC, 1996: appendix 13)

Indeed, "improved labour market flexibility" on the one hand, and "increased training for a more skilled workforce" on the other, are among the measures singled out in order to attract more foreign direct investment. (ANC, 1996: appendix 12)

Conversely, the ANC government repudiates such measures as public expenditure-driven growth strategy, describing this as Keynesian policies appropriate only to the closed apartheid economy of the 1950s and 1960s. (ANC, 1996: appendix 5) Likewise, in a discussion document published in November, 1996, the ANC would depict exchange controls as a carry over from apartheid (ANC, 1996a: 5-6). By associating any reservations against economic neoliberalism with the outlook of the previous apartheid economy, therefore, the government seeks to discredit the views of its allies, COSATU and the SACP.

If GEAR reflected the ANC state's renewed endorsement of neoliberal economic policies, a subsequent discussion document, published on 11 November, would provide a self evaluation of how the state views itself politically within this emerging neoliberal dispensation. While the ANC state readily accepts the necessity of radical economic adjustments to meet the requirements of the global capitalistic world, it shows an equal determination to preserve as much as possible its own political autonomy. While conceding that the contemporary world economic system imposed "a certain surrender of a nation state's control over many areas," (ANC, 1996a, 17), it also emphasises that "the democratic movement must resist the liberal concept of 'less government', which ... is in fact aimed specifically at the weakening of the democratic state." (ANC, 1996a: 7). Similarly, while willing to accept privatisation of state assets where appropriate, the discussion document opposes the "'withering away' of the democratic state" to the point where the state would no longer be able to intervene in its own national economy. (ANC, 1996a: 13).

The ANC state envisions maintaining hegemony in its capacity as broker and indeed coordinator between the various rival sectors of its economy, in particular between the interests of capital

and labour. (ANC, 1996: 21; ANC, 1996a: 7) It argues that its value to labour is as a conduit to capital which in turn is vital for investments providing for industry and thus jobs and social services. (ANC, 1996a: 9, 11) Conversely, the new “democratic state offers the best possible environment for the realisation of the interests of capital,” including “industrial stability” by discouraging social unrest, and avoiding “an environment of social and economic dislocation.” (ANC, 1996a: 11) In an evident allusion to apartheid, the November discussion document argues that although there were cases where “capital made fortunes under dictatorial regimes ... [at the expense of] the oppressed and super-exploited ... invariably capital had to take measures to try to stem the imminent or existent social upheaval.” (ANC, 1996a: 11) The new democratic state, in other words, offers better investment opportunities for capital than did its apartheid predecessor if only because it is more cost effective.

In turn, the state expects to use the unions in their capacity to mobilise the masses. (ANC, 1996a: 7-8) However, this would be less important for the sake of winning popular national elections than COSATU appears to believe (COSATU, 1996, 5, 13, 22) if only because no serious domestic challenge exists any longer. A more likely scenario would be that the state expects to use the unions in shows of strength with which to impress overseas investors. It is through the unions' links with the masses that the state hopes eventually to convince investors of its ability to guarantee industrial peace.

Although this scenario still gives COSATU some negotiating leverage with the ANC state, it hardly is intended to allow the federation to remain very radical and in fact would considerably limit its autonomy. In an apparent reference to COSATU's activities during the 1980s, the ANC criticises not only “economism” (the avoidance of broader political involvement outside the workplace) but also “narrow ‘revolutionary militancy’ “. (ANC, 1996a: 13) The second concept, although not explicitly defined, would obviously suggest the type of radical social unrest pursued in the interest of union hegemony of the kind which occurred in the 1984-1986 period. Appropriately, the ANC document closes by admonishing the

democratic movement ... [to] resist the thinking that ... South Africa...[can elaborate solutions which are in discord with the rest of the world, but which can be sustained by virtue of a voluntarist South African experiment of a special type, a world of anti-Apartheid campaigners, who, out of loyalty to us, would support and sustain such voluntarism. (ANC, 1996a: 18)

E. COSATU AND THE SPECTRE OF NEOLIBERAL TRANSFORMATION

During 1996, COSATU would publish two documents, one in April, as part of the NEDLAC labour caucus, and the other in November. Thereby, it would be giving its own macroeconomic point of view, one based upon assumptions considerably at variance with those of the ANC. In contrast to the ANC, which views itself as a power broker between its Tripartite political allies and international capital, COSATU views international capital in a more directly adversarial way. It refers to

the constant attempt in the international context, to chip away at the sovereignty of government ... The call for blind adherence to privatisation, reduced budget deficit for

its own sake, immediate removal of exchange controls are part of an attempt to weaken and ultimately remove the role of the state in the economy, (COSATU, 1996: 8)

In contrast to the ANC, COSATU sees obstacles to its program of transformation not only from the legacy of apartheid but also from the constraints of the "new world order." (COSATU, 1996: 5)

COSATU and the ANC state differ noticeably on the interrelated issues of interest rates and employment. Unlike the government, COSATU supports a minimum wage policy rather than a more flexible two tier system. (COSATU, 1996: 16-17) Whereas in the government model, employment is to be encouraged by means of wage flexibility (ANC, 1996: appendix 13 & 15), in COSATU's plan, this is being achieved by direct government intervention, by lowering interest rates. (NEDLAC, 1996: 22-23; COSATU, 1996: 16-17) By contrast, the government is more reluctant to lower interest rates and/or increase government spending, for fear of encouraging inflation, which, it argues, would ultimately hurt the consumer. (ANC, 1996a: 14-15) Perhaps an even more important motive, from the government's point of view, is that inflation, reflecting an unstable economy would discourage access to the overseas capital markets (ANC, 1996: appendix 5), while relatively high interest rates would attract direct foreign investment (ANC, 1996: 10). This argument must have gained more cogency in government circles with the dramatic 30% devaluation in the Rand, during 1996, and has correspondingly sharpened the differences between the ANC's and COSATU's views.

The unions' policy on tariff liberalisation is cautious. On the one hand, they state that they "follow pragmatic trade policies geared towards opening up the economy in a manner which will not lead to massive job losses." (NEDLAC, 1996: 16; Joffe and Lewis, 1992: 27) In an evident critique of ANC government policy, they also emphasise "a pragmatic programme which lowers tariffs carefully, and not faster than the terms required under the General Agreement of Tariffs and Trade" (NEDLAC, 1996: 15), originally signed in January 1995. At the same time, major emphasis should be placed on encouraging the development of the domestic market, which in turn would involve "supportive tariff policies." (NEDLAC, 1996: 17). The June 1996 government document, on the other hand, takes a very different position. Again referring to the recent devaluation of the Rand, GEAR stated that the "mid-1996 real effective exchange rate is some 12 percent below the January value, which should permit¹¹ a significant acceleration of the tariff reductions to which South Africa is committed in terms of the "World Trade Organisation agreements." (ANC, 1996: 12; ANC, 1996: 2, 4 & appendix 10).

Consistent with COSATU's policy towards tariffs is its position on exchange controls. The unions state unequivocally that "the policy goal should be to require the deployment of assets in South Africa and not to move assets off-shore." (NEDLAC, 1996: 14), adding that "there is an urgent need to promote active domestic investment policies..." (NEDLAC, 1996: 15) What is not explicitly stated, but which the unions must find equally undesirable, is the likelihood of simultaneous foreign capital *inflows* as a result of abolition of exchange controls, since this would obviously tend to increase overseas capital's influence on the domestic economy. This is certainly implied by the strong objection voiced against the recent asset swap arrangements, legalised in July 1995 (Stals, 1995: 24), permitting a limited amount of reciprocal capital transfers between South African financial institutions and foreign investors (NEDLAC, 1996: 15). In contrast, the ANC state wishes the steady abolition of exchange controls precisely so as to encourage more

foreign direct investment. (ANC, 1996: 11; ANC, 1996: appendix 12) The GEAR document, in fact, simultaneously announced a doubling in the permissible magnitude of the swaps, as well as a doubling of the legally permissible access of domestic credit available to foreign investors in South Africa. (ANC, 1996: 11)

The difference in points of view is evident also over the issue of privatisation, or what has been referred to euphemistically as "asset restructuring." The state foresees privatisation of a whole range of industries, either totally or partially. (ANC, 1996: 16) COSATU's position is less explicit, resembling its attitude towards tariff liberalisation. In the National Framework Agreement, concluded on 25 January 1996, the unions did agree to a degree of privatisation consonant with the maintenance of job security for the employees involved. (NEDLAC, 1996: 20-21; *South African Labour Bulletin*, 1996: 19-20; *Financial Mail*, 7 June, 1996: 25). However, even partial privatisation will not necessarily shield labour from job redundancies. For example, the planned sale of 30% of Telkom to private interests, for example, will just further stimulate an already noticeable drive to modernise and rationalise employment in the telecommunications industry to permit it to compete internationally. Moreover, the 1996 devaluation of the Rand puts further pressure on privatisation, which is seen as a measure to improve the balance of payments. Another source of pressure to privatise is the domestic business community which provides most of the revenues for an organisation such as Telkom. (*Sunday Times Business Times*, 29 Sept., 1996: 9).

F. THE ANC AND ITS ALLIES

Of at least as great a concern to COSATU as the government's neoliberal policies, themselves, is the government's lack of consultation with its Alliance partners: "[t]he locus of decision-making on key political issues has ... not been in the Alliance structures. Rather, this has tended to take place in individual Ministries, and the alliance only engages with the *product*." (COSATU, 1996: 13) There have apparently been a few exceptions, notably the discussions concerning the new Constitution and the new Labour Relations Act (COSATU, 1996: 2-3). The Labour Relations Act, in fact has been described as "among the most labour-friendly [legislation] in the world." (Levy, 1995: 15) Yet, as has been suggested by one of the key proponents of radical reform, "[t]he truth is, labour has won such progressive legislation precisely *because* of the ANC... the impressive gains labour has made were achieved through the alliance with the ANC, not against it." (Von Holdt, 1995: 23; Von Holdt, 1995: 18-19, 24; see also *Sunday Times*, 12 May, 1996: 26). At the same time, the far more significant neoliberal reforms, involving notably tariff reform, removal of exchange controls and even privatisation, appear, particularly in the long run, to be largely outside COSATU's control, clearly counter to the spirit of radical reform. Cosatu's frustration is apparently shared by the SACP. According to Philip Dexter, SACP provincial secretary in the Western Cape, "[w]hat is of concern is the extent to which the agenda is set by capital, and by class forces inside and outside of the liberation movement which are in ultimate opposition to the interests of the working class." (Dexter, 1996: 33)

Likewise, NEDLAC, itself, has not lived up to the expectations of either Cosatu or radical reform.

According to Jeremy Baskin, director of COSATU's National Labour and Economic Development Institute (NALEDI), the centralised corporatism embodied by NEDLAC "is an unstable arrangement primarily because there are few incentives for employers to remain in a

relatively centralised bargaining system, when their union counterparts are getting weaker.” (Baskin, 1996: 16) The unions have more than once demanded that measures to combat inflation be worked out within NEDLAC, rather than through the monetary policies of the Reserve Bank, but to no avail. (NEDLAC, 1996: 22-23; Shilowa, 1996: 10)

Cosatu has tried to break this impasse by seeking a special accord with the ANC government, presumably in response to the ANC’s November, 1996 document (Fine, 1996: 15). Rather than the government continue its role as “broker” between labour and capital, it would, by this proposal, put its alliance with the unions first so that they could, as a united front, negotiate with business in NEDLAC. (COSATU, 1996: 13, 15) In fact, given increasing influence of international capital upon ANC government policy, it can be argued that COSATU does not necessarily expect its proposal to be taken at face value. More likely, this may well be only a “first offer,” in what is likely to be a process of protracted bargaining for the next few months. The result of such negotiations may well be a special accord, but hardly one between equals. Such an accord in fact would most likely simply confirm COSATU’s acceptance of what has anyhow by now long become a *fait accompli*. Rather than the ANC government’s supporting labour’s interests at the expense of capital, COSATU is apt to be asked to support the state in its ongoing negotiations with business interests, both at home and overseas. COSATU will have in fact to agree to forego any real partnership in formulating macroeconomic policy, such as interest rates, exchange control or tariff agreements. In exchange for foregoing any active involvement in dealing with these issues, COSATU will continue to be given considerable influence on matters more narrowly affecting it, such as labour legislation and social services.

COSATU’s proposal for a special pact with the ANC within NEDLAC is not likely to have helped its traditional relations with the SACP, a party which has never been a participant in NEDLAC, and has been relatively sceptical of corporate arrangements. (Cronin, 1996; Zita, 1993, *passim*) For that matter, COSATU did not give much emphasis on any meaningful rapprochement with the SACP. Only once did it briefly mention that “more engagement will need to take place between COSATU and the SACP. For while COSATU has a vision that extends beyond the shopfloor, it needs a revolutionary working class party to spearhead a working class programme.” (COSATU, 1996: 11) At the same time, it apparently did not expect this alliance to come soon, pointing out in evident reference to the programme of the previous SACP ninth national congress, that the “SACP is itself grappling with defining its role during this period. It also has to define how those of our organisations that are committed to socialism play their role today rather than tomorrow.” (COSATU, 1996: 9) In fact, the debate was not so much as to whether the current phase involved the struggle for socialism or national democracy.

“The question is whether, having successfully held democratic elections, we are able to seriously enter into the task of **beginning** [bold in the original] to decisively transform our country in a manner which ... will ensure the success of the [National Democratic Revolution].” (COSATU, 1996: 8)

The SACP, for its part, remains evidently dissatisfied with COSATU’s own policies. In a discussion document submitted already at the beginning of October, 1996¹² the SACP emphasised that it needed to help “COSATU define its role at the heart of a [Popular Movement

for Transformation],” thereby implying that COSATU still had not favourably resolved its own relations towards the SACP. (SACP, 1996: 14)

Likewise, the SACP’s general secretary subsequently emphasised that COSATU was “at a critical cross-roads.” (Nqakula, 1996: 9) The unions should not think narrowly of their own interests but also “integrate themselves into a broader strategic transformation process” (Nqakula, 1996, 1996: 10), in other words, adapt to SACP policy.

Underlying the continuing differences between COSATU and the SACP, of course, is a fundamental difference in their respective attitudes towards capital. COSATU seeks a class compromise between organised labour and capital, through corporatism and radical reform (Webster and Adler, 1996: 3). The SACP, on the other hand, seeks class hegemony of the broad masses over capital (SACP, 1996: 4-5). According to Dexter, although the “idea of a mixed economy which is put forward by the party for [the period of transition, following the elections of 1994] does not stand in contradiction to socialist reconstruction,” it is all premised “on working class leadership in the economy...” (Dexter, 1996: 31). NEDLAC was inappropriate, not only because it did not give the unions meaningful power sharing (COSATU’s point of view), but also, and more to the point, because it did not give them *hegemony*. (Dexter, 1996: 31).

G. ON THE EVE OF THE MILLENIUM

The South African left’s current dilemma, according to one point of view, can be traced to the disorienting impact resulting from the collapse of East European socialism and the simultaneous advent in 1990 of the formal negotiated transition period between the apartheid regime and its ANC successor. (Harris, 1993: 92; Webster, 1993: 10-11; Webster and Adler, 1996: 4) As this paper has argued, however, the roots of the “transition,” and, therefore, of the dilemma, go back to the mid 1980s. An early symptom of the Soviet Union’s disengagement abroad was probably its diminishing presence in southern Africa, reflected by the capitalist West’s decisive intervention in South African affairs from at least 1985. The imposition of comprehensive sanctions and the beginning of the ANC’s steady rapprochement with the West through negotiations (thereby loosening its previous thirty years of close dependence upon the USSR), were the first major signs of this policy. Within three years, an exhausted Soviet Union was withdrawing from Angola, and doing so as part of a more general pattern of disengagement, including, most notably, the fateful withdrawal from Afghanistan. The result was increased Western diplomatic pressure upon Pretoria to do the same in Namibia, accompanied by even more important concessions, notably the gradual rehabilitation of the ANC, beginning in late 1988. The reemergence of the ANC, now with solid backing from the West, would decisively alter the balance of power within the Tripartite Alliance: the ANC would achieve hegemony, and do so at the expense of both COSATU and the SACP.

Seen within this longer term context, the assertion that the ANC, representing the “national liberation struggle,” did not have to make the concessions it did at the negotiation table because of effective popular struggle at home and alleged military victory in Angola (Harris, 1993: 99 - 100) risks missing the point. By the time of the 1992 Record of Understanding, the national liberation struggle had in fact long been deflected from its original, pre-1985 course. Already by

1988, even before the collapse of socialism in Eastern Europe (1989 -1991), the capitalist West had established hegemony in southern Africa. To argue that "the democratic forces in South Africa did win a major victory but entered into negotiations without pushing it through" (Harris, 1993: 100), perhaps begs the question: what major victory?

Indeed, the prospects for radical reform, ironically, were probably brighter during the 1980s, under the old regime, than they are today. In the 1980s, when COSATU had been negotiating with an apartheid state increasingly under siege from the international capitalist world, they had been able to exploit this conflict to their own advantage, in an often successful attempt to obtain concessions and/or support from both state and overseas capital. By the 1990s, on the other hand, this window of opportunity was contracting. The new ANC state, in obvious and sharp contrast to its apartheid predecessor, owes its coming to power to a considerable degree to the support of overseas capital and, since officially coming to power, is, if anything, increasingly under capital's influence. At home, the new ANC state has been steadily entrenching itself and thus is less vulnerable to internal challenges. The balance of power of the 1980s has been altered.

By 1996, the relations between the SACP, the ANC and COSATU appear quite different from the way they looked a decade ago. Whereas then, the recent founding of COSATU, in the wake of massive industrial and township unrest, symbolised its hegemony within radical opposition politics, today, COSATU appears increasingly labouring under the constraints of the new ANC state. The SACP, which until 1985 had assumed an identity in many respects almost indistinguishable from the ANC, is today ideologically distanced from both its partners. It continues to stake out its own course, one which rejects the values of capitalism in order to represent the growing millions of the marginalised and the alienated.

To say that the new dispensation of 1994 "was a transition in the political system, not a transition in the political economy" (Webster and Adler, 1996: 1) is of course true in the sense that the transition has not been one towards socialism. Indeed, "'the big issues' that were for so long the touchstones of socialists in South Africa - nationalisation of banks, mines and factories; nationalisation and redistribution of the land...have effectively been abandoned." (Harris, 1993: 101-102) On the other hand, the New South Africa is witnessing a profound transition in its political economy but in the direction of a revolutionary new overseas *capitalist* "transformation." One can not agree that economic policies such as the privatisation of the state sector, the steady elimination of exchange controls and the reduction of tariffs illustrate "considerable continuity with those of the previous regime". (Webster and Adler, 1996: 2) Rather, these policies would suggest substantial *discontinuity*, particularly when contrasted with those of the apartheid state prior to its demise during the 1988-1994 period. The message for the left, as ironic as it is grim, is that it is precisely this "transformation" which has in fact made the prospects for socialism steadily recede during the past decade.

Within the context of these massive and far-reaching long term changes, the prospects for the ANC's allies naturally appear to have narrowed. Perhaps, within or outside the Alliance, a special coalition between the SACP and COSATU might originally have made a difference, although this begs the question as to whether the two sides could have ever been able to bridge their significant differences. Such an alliance, in any case, would have had to have been forged already during the 1985-1987 period, while the dynamics of the transition were still not clearly

defined. After that, it was almost certainly too late.

The ANC state, on the other hand, has prospered. Despite a view by some that the new neoliberal global economy is incompatible with the persistence of strong state apparatuses (*Economist*, 7 Oct., 1995: 13-14), the new South African state continues to remain relevant in its capacity as power broker between international capital on the one hand and domestic rivals and allies on the other. In this respect, it is in fact pursuing the same strategy that originally helped it achieve power.

Today, an option for the ANC's two partners would be to reconcile themselves to a reduced role within the Tripartite Alliance. This involves committing themselves to abandon any claims to entrenched rights in macroeconomic policy making, and rather to support the ANC state in its negotiations with overseas capital. In exchange they could then continue to expect from the state advantageous concessions on issues affecting them more directly and narrowly, to the degree, of course, that such concessions continue to be possible. Admittedly, this would mean probably giving up most of the objectives for which COSATU and the SACP have each struggled for - and for so long. On the other hand, for COSATU, or the SACP, to go into formal opposition, thereby abandoning the Tripartite Alliance altogether, would be a course fraught with unacceptable risks. Given the nature and the range of the forces which they would have to confront, both at home and overseas, they would almost certainly be politically isolated. They would meet the fate of the ANC's other historical rivals, and be in fact condemned to the political wilderness.

NOTES

1. I wish to thank Karen Harris, in particular, for her comments on earlier drafts of this paper.
2. Barrell was at that time a pro SACP journalist and contributed substantially to the initial issues of *Umsebenzi*: Barrell, 1993: 365.
3. Although the national elections putting the ANC officially in power occurred only in late April, 1994, in many ways, the establishment of the Transitional Executive Council, November 26, 1993, effectively terminated Nationalist Party rule and, by giving the ANC a large share of power, must have considerably influenced the outcome of the elections.
4. The concept of radical reform owed its origins to the independent union movement of the 1970s, with its policy of compromise with employers and the state, as opposed to the ANC's own policy, at that time, of armed struggle and "Leninist notion of revolutionary rupture". (Webster, 1993: 9; Webster, 1993: 5, 7) Webster and Alec Erwin first explored the concept in 1977, referring to it, however, simply as "reform." The actual term, "radical reform" was not used until 1991. (Erwin and Webster, 1977: 101; Webster, 1991: 63-64, 72; Webster, 1996; Adler, Maller and Webster, 1992: *passim*) The concept's actual translation into mainstream politics can be traced to the Wiehahn labour reforms of 1979 -1981, which first extended the 1924 industrial conciliation system to African labour. (Adler, Maller and Webster, 1992: 337, 339; Webster, 1993: 9; Adler and Webster, 1995: 80-83)
5. I am indebted to Karl von Holdt for having made a copy of his paper available to me.

6. The manifesto of the ninth Party congress would refer to the "ending of formal racist minority rule" (the April, 1994 elections) as a "new phase of the NDR" [National Democratic Revolution] (SACP, 1995: 7). Earlier (SACP, 1995: 1), the manifesto referred to "the negotiations process in South Africa (1990-1994) ... and our ongoing national democratic revolution," suggesting February 2, 1990 as the beginning of the National Democratic Revolution.
7. I wish to thank Jeremy Cronin for having made available to me a copy of this paper.
8. Zita was at that time national information officer at Numsa, but was also, since 1992, in the education department of the SACP. Later he left Numsa to become full time national political education officer in the SACP (Zita, 1996).
9. See also on this theme, the witty but misleading cartoon by Zapiro in the *Sowetan*, 30 July 1996, 12, depicting a car with three passengers. Two of the passengers, symbolising COSATU and the SACP, are seated one in front of the other respectively, while to the right of them sits the driver, representing the ANC.
10. Foreigners had, on the other hand, always been able to repatriate any proceeds from loans, dividends and interest payments.
11. Presumably by facilitating exports.
12. Personal communication from Jeremy Cronin, 6 December, 1996.