

The Second Transition

Building a National Democratic Society and the balance of forces in 2012

Introduction

The paper on the Second Transition expresses a wish that the 53rd Conference must be a “watershed” conference. However, watershed moments do not emerge on the basis of wishes. What is important for it to be watershed it must be a conference which, like the founding conference in 1912, the 1949 Conference, the 1955 Congress of the People, and the Morogoro Conference of 1969 and the Polokwane Conference, must be the culmination of a people-driven process that honestly reflects the concrete conditions of the majority of the people. Watershed conferences are seminal because they emerge with decisive, long-lasting resolutions that express the deepest aspirations of the majority of the people, particularly the working class.

The watershed conferences of the ANC became seminal because they treated politics as a concentrated expression of economics, and vice-versa. The Second Transition document does come close to achieving this task. Neither can it be said to be a strategy and tactics document, because it does not analyse the material conditions of the classes that constitute South Africa, the forms of organisation and the forms of struggle that these classes are engaged in. In short, the document completely fails to tease out the fundamental, non-fundamental, primary and secondary, dominant and subordinate contradictions that drive South African society and the world.

We had expected that this document would premise its intervention with the perspective that says: “In our country - more than in any other part of the oppressed world - it is inconceivable for liberation to have meaning without a return of the wealth of the land to the people as a whole. It is therefore a fundamental feature of our strategy that victory must embrace more than formal political democracy. To allow the existing economic forces to retain their interests intact is to feed the root of racial supremacy and does not represent even the shadow of liberation.

Our drive towards national emancipation is therefore in a very real way bound up with economic emancipation. We have suffered more than just national humiliation. Our people are deprived of their due in the country`s wealth; their skills have been suppressed and poverty and starvation has been their life experience. The correction of these centuries-old economic injustices lies at the very core of our national aspirations. We do not underestimate the complexities which will face a people`s government during the transformation period nor the enormity of the problems of meeting economic needs of the mass of the oppressed people. But one thing is certain - in our land this cannot be effectively tackled unless the basic wealth and the basic resources are at the disposal of the people as a whole

and are not manipulated by sections or individuals, be they white or black. This perspective of a speedy progression from formal liberation to genuine and lasting emancipation is made more real by the existence in our country of a large and growing working class whose class consciousness complements national consciousness. Its political organisations and the trade unions have played a fundamental role in shaping and advancing our revolutionary cause. It is historically understandable that the doubly-oppressed and doubly-exploited working class constitutes a distinct and reinforcing layer of our liberation and Socialism and does not stand in conflict with the national interest. Its militancy and political consciousness as a revolutionary class will play no small part in our victory and in the construction of a real people's South Africa".

This perspective expresses the deepest aspirations of the working class of which more than 80% of the people belong. It gives the expression to all the clauses of the Freedom Charter. We also welcome the acknowledgement of the deepening crisis of neo-Colonialism of a Special Type. This acknowledgement actually informed the progressive perspectives of the 52nd Polokwane Conference, which among others, which acknowledged that the Second decade of democracy must benefit the working class and the poor.

The paper also says that our vision for the next few decades should be informed by an approach that, having concluded "our first transition with its focus on democratisation over the last eighteen years, we need a vision for a second transition that must focus on the social and economic transformation of South Africa over the next 30 to 50 years".

It further says that *"We must therefore not only celebrate our history of struggle and the ebbs and flows of our movement, but pause and ponder the future of South Africa and the ANC over the next 100 years. We must ask and answer the difficult questions about the future of our country. the achievements we made during our first two decades of democracy, the persistence of widespread poverty and extreme inequality in a middle-income country poses a major threat to social cohesion and nation building....a business as-usual approach will result in South Africa failing to meet a great many of its objectives"*.

This is a welcomed development because it inherently realises the strategic failures and blunders committed since the 1994 democratic breakthrough. We appreciate that the central theme of the document is to provide an answer on what is to be done in order to achieve a decisive and qualitative breakthrough from the Apartheid and colonial economic relations, in which blacks and Africans in particular remain subjected to white domination in all aspects. As a document for a class conscious revolutionary movement, a disciplined force of the left, it seeks to address the extremely skewed power relations that exist between the working class, in which the majority of the people belong, and the bourgeoisie. It is a call for new phase in the history of post-colonial South Africa.

We can draw parallels of similar calls in Latina American/Caribbean and in India, where qualitative progressive development projects were undertaken, predicated on the notion of what they called the “Second Independence”. This notion requires proper contextual and class content understanding, a point that we will elaborate later in this input.

In this context the content of the notion of Second transition must be an expression of an emerging, new anti-imperialist, anti-neo-colonial internationalism. It is a call for both for the development of self referential and autonomous post-capitalist models of political-economy for sovereign nations. Its content must seek to re- assert the radical content of the NDR as initially conceived by the liberation movement.

A concern must however be raised that encouraging as this theme is, but it appears to be predicated on a problematic notion of “ a first transition which focused on democratisation and a second transition which must focus on the social and economic transformation” (see paragraph 7).

The problem about this formulation is that its resultant effect is to conceal the strategic mistakes committed and treat them as if they were our commonly agreed to strategic choices. There is no scientific analysis that explains why at this juncture we should instigate a rupture into a Second phase of Independence. The fact that the ANC celebrates 100 years is to us no scientific basis to explain why the particular 53rd Conference should be seminal. We will take this issue further in this input.

It is incorrect for the document to suggest that the last 18 years was focusing on democratisation and that our focus must now be on social and economic transformation, as if there exists a Chinese Wall that separates politics from economics and social development. A revolutionary perspective always maintains the unity of these aspects of social life, hence the concept of politics as concentrated economics.

This suggests that we consciously assumed political office only to install democracy that was devoid of its social development and economic content. The fact of the matter is that we have always defined our strategic objective as building a non racial – non-sexist, democratic, united and prosperous South Africa, underpinned by the an economic base that progressively takes us towards an egalitarian social order, as the 1979 Green Book commits.

Part – A of the document needs to consistently lay the bases to actually define the radical content of the Second transition.

PART A. THE LAST 18 YEARS: THE FIRST PHASE OF THE TRANSITION

We note that part A of the document which focuses on the first phase of the transition is anchored on the theory of Colonialism of a Special Type. Whilst

its analysis is welcomed, it limits itself on celebrating the constitution and its corresponding institutions of democracy without relating to how the constitution and its corresponding institutions have been used to address the interrelated fundamental contradictions of race, class and gender. The document therefore assumes that it is possible to fundamentally transform the superstructure of Colonialism of a Special Type without making inroads into its economic infrastructure. This is a major drawback. We argue that the bourgeois class content of the democratisation process, has hollowed out the truly democratic aspirations of the majority in political-economic-ideological life.

It is this deficiency which results to the paper giving legitimacy to the notion of the first phase of transition as having been about focusing on the democratisation as if that was our agreed exclusive intention. This perspective of drawing a dichotomy between democracy and economic development is contradicted by paragraph 19 of the paper which says that “our political transition was never only about freedom from political bondage. From the onset, democratisation was inextricably linked with freedom from socio- economic bondage, captured in the motto: a better life for all”. Actually it is appreciated that paragraph 19 – 23 of the paper spend some time on the matter and if the document is to be consistent with this view it will require that paragraph 7 be reformulated or deleted altogether.

Therefore in order to strengthen the document we propose that there be a consideration of a formulating which can lay the bases to explain the detours , strategic omissions , strategic blunders in making certain policy options which landed to us having a democracy that was devoid of development for the blacks in general and Africans in particular.

The other deficiency in Part A of the paper is that it does not locate the context of the 1994 breakthrough on limitations imposed by the dominance of capitalism. It does this somewhere in the document as if it is unrelated from Part A – the first phase of the transition.

Failure to do this makes the paper to problematically argue in paragraph 39 that Gear was a tactical detour necessitated by objective conditions (high public debt and deficit , bloated public service, low growth etc) and subjective conditions (distrust by the private capital of the new dispensation). The fact of the matter is that the paper refuses to see Gear as a strategic blunder that we committed and for as long as there is this refusal, it is difficult to believe that there can be a second transition, because such a transition will require serious paradigm shift from the Gear-Neoliberal paradigm. The reality is that the strategic perspective underlying

the current economic policy trajectory continues to be based on the Gear Neoliberal paradigm.

Whilst we agree with what the paper calls differences on tactical approaches of the NDR we need to elaborate on the content of these differences not because we should insist on these differences but we do so in the hope that this will help to better inform our common approach to the Second transition.

1. We argued that since the democratic breakthrough in 1994, and more particularly in the last couple of years later, a number of significant shifts had begun to emerge in certain quarters on perspectives on the NDR. These shifts have tended to reflect perceptions around the changing balance of forces, locally and internationally, rather than clearly theorised, coherent alternative perspectives to the historic thinking of the movement on the NDR.
2. We noted with concern that while those articulating this shift paid homage to the historical documents and perspectives of the movement, practical realities were seen to dictate a different path for the NDR, even if this was not explicitly counter posed as an alternative strategy. A significant strand of thinking in the movement, particularly dominant amongst those active in government structures, was that globalisation, and the domestic power of capital, left us with no alternative but to advance a far more limited vision of the NDR than those contained in the official policy documents of the movement.
3. Another strand of the movement argued that the historic vision of the NDR entailing radical transformation remains as valid today as ever before, and that material condition confronting our people, if anything made such transformation more urgent . In this view, the essential character of NDR transformation remains the same, even if international and local conditions at any particular point require dynamic strategies to achieve these objectives of the NDR.
4. These divergent perspectives have in part led to two inter-related results: a disjuncture between the perspectives of the movement, and policies pursued by government; and the increasing co-existence of contradictory or seemingly incompatible perspectives in key documents. Discussion documents have begun to be placed on the table, which introduce qualitatively different perspectives on the NDR.
5. We have argued that the ANC has never presented the NDR as being class neutral, or the simple deracialisation of apartheid capitalism. Key documents of the movement reflect the understanding that the class and national questions, while not identical, are closely intertwined, together with the issue of gender oppression; and that it is not possible to resolve the national question without shifting the balance of class forces in society, or beginning to address key

elements of the oppression and exploitation of the working people, or the oppression of women. Therefore these issues cannot be addressed separately or sequentially in the NDR, but have to be addressed simultaneously.

6. We have said that Documents from the Freedom Charter in the 1950's to the Morogoro Strategy and Tactics document of the 60's, to the strategy documents of the 80's and 90's consistently reflect a class bias towards the working people, and the landless peasantry¹. The commitment to the liberation of the African majority in particular is not in contrast to this class perspective, but directly connected, because of the recognition of the economic plight of the vast majority of the African people. The movement's vision of thoroughgoing social transformation also reflected the relatively advanced character, both at the level of forces of production, as well as organisation of the South African working class, when compared to other anti-colonial struggles.
7. We argued that this class perspective of the South African revolution was in sharp contrast to many of the earlier anti-colonial movements, some of which had tended to be dominated by middle class forces seeking to replace the colonial bourgeoisie. The ANC and the South African democratic movement as a whole always remained conscious of the need to avoid repeating these aborted revolutions, which resulted in little improvement, and often deterioration in the lives of ordinary people. Thus while the ANC was never a socialist movement in the strict sense, it had always maintained a strong working class orientation, and an approach which understood the need for a national democratic state to pursue a programme of social transformation, which would also require the tight regulation of capital.
8. To the extent that the liberation movement sought to deracialise the capitalist class, and promote the emergence of a black middle class, this was seen as an objective, which was subordinate to addressing the plight of the working people and the poor. The movement, drawing on its observations of other experiences, sharply warned against the danger of promoting the interests of a new elite over and above that of the majority who stood to benefit from national liberation.

It will be important to have these strategic issues clarified as we proceed with the project of the Second Transition, otherwise the "resilient fault lines correctly identified by the paper will remain intact. Actually the paper is suppose to include a section which explains why these fault lines persists.

¹ The claim was made in the last bilateral that COSATU comrades are relying in a one- sided way on pre-1970's documents, when the international balance of forces was totally different. As is indicated below this is completely incorrect. The Alliance document confirms that the radical historical perspective continues into the 1990's. While lip service is sometimes paid to this perspective, in reality there is a major disjuncture with many of the government policies and programmes adopted post-1994

In our view it is exactly because of the wrong policy options we impose to ourselves based on a static and undialectic analysis of the balance of forces.

We continue to argue that we study the balance of forces in order to make educated decisions about our policy choices without compromising our strategic objective, which these balance of forces are not insurmountable and require intelligent strategy to manage rather than conceding without a fight.

We continue to remind comrades of a warning by the 1985 Kabwe Conference that it was crucially important that we distinguish political office from political power. Political office refers to control of ministries conferred on a party on the basis of the results of a general election. Thus it is conceivable in a capitalist country, as happens in France, Britain, Sweden, etc, that a party of the working class may win the elections and assume political office — that is, it is given control over the ministries — without that in any way altering the fact that political power remains in the hands of the capitalist class.

What happens in such instances is that a party of the working class is allowed to administer the capitalist state, introduce ameliorative reforms, and even impose certain controls on the activities of the capitalists just as long as it does not tamper with the central sphere of capitalist political power. Forming the government, therefore, is not the same thing as acquiring political power.

We continue to argue that the liberation movement should refuse to be blackmailed by the invisible hand of the markets which threatens disinvestment if the state prioritizes people over profits

As part of strengthening the paper we propose that the following factors be considered to describe the last 18 years:

The context within which the 1994 breakthrough took place:

1. When South Africa achieved the 1994 political breakthrough the world had experienced seismic political shifts characterised by the disintegration of the Soviet union- led axis which was constituted by the Warsaw Pact-Council of Mutual Economic Assistance represented by the International Communists and Workers' movement on one side and the victory of the Capitalists USA led axis, constituted by the NATO-OECD forces on the other side.
2. The 1994 breakthrough also took place under conditions in which the Liberation movement as led by the ANC enjoyed huge legitimacy and support amongst the African countries which had also achieved liberation from the colonial rule under the imperialist grip of the very same NATO forces.

3. At the same time the liberation movement enjoyed overwhelming support among the progressive international forces under the auspices of the Anti- Apartheid movement. It was this global anti-apartheid movement, which had produced a growing movement of sanctions imposed against apartheid which meant that the Apartheid South African regime and business in South Africa were very exposed and were going into a political cul-de-sac.
4. But very importantly the ANC-led liberation movement enjoyed overwhelming support and legitimacy inside South Africa from amongst the working class, the rural poor, and the black middle class and from some sections of the progressive white populace who had been at the forefront of confrontation with the Apartheid oppressive state machinery.
5. The disintegration of the Soviet axis had decisively shifted the international balance of forces in favour of the major capitalist powers, with growing domination by the USA. This dominance by the USA led axis was characterised by the ascendancy of neo-liberal economic programmes such as privatization, marketisation, liberalization, plunder of the resources of the developing world through neo-colonial manipulation, unequal trade and the debt burden which became a tool to blackmail and force countries to accept structural adjustment programmes.
6. This victory by the USA led axis was consolidated with the fall of the Berlin Wall in 1989 leading to the integration of East and West German to what is today referred to as the European Union.
7. Central to the strategy of the US led axis to consolidate its position of power was the use of the Brettonwood institutions such as the world Bank and the International Monetary fund as its ideological battering ram forcing developing countries to comply with the Neo-Liberal prescription, turn the UN into its cover for its illegalities to undermine the sovereignties of developing countries and use its hegemony in the control of mass media to present its ideological prescription as if it were in the interests of the people as a whole and to repeat a lie until it sounded true that there was no alternative to Capitalism!
8. This imperialist content of the victory by the US- led axis has meant that our transition has been taking place in the context of the growing international economic integration (and domination), yet marginalisation, of the developing countries, under the increasing assertiveness of the neo-liberal international agenda.
9. This has been facilitated by the development of new forms and forces of production which have been increasingly global in character; in particular the new technological revolution which itself helps to dissolve national borders, and the growing domination, mobility, and

volume of international speculative capital. These factors have posed serious challenges to those countries attempting to assert a sovereign path of national development.

10. It is in this context that the developing world has been gradually mobilising itself into a block constituted in the main by China, Asia, Africa and Latin American countries and has presented themselves as an alternative engine of growth and development for the world economy and as an anti –thesis to the USA and European based growth and development models.
11. It is in this context for an example that the workers of Cuba, Venezuela, Ecuador, Bolivia, Paraguay and Peru have set a new course, leading the national liberation struggle of Latin America and the Caribbean towards a second independence. They are building societies based on social and economic justice.
12. Venezuela has fostered new institutions free of US and Canadian influence. The new institutions are, for example, ALBA (the Bolivarian Alliance for the Peoples of Our America), Petrosur (an agency that coordinates the energy policy of Latin American oil-producing states), Petrocaribe (which does the same for the Caribbean area), the Bank of the South, UNASUR (the Union of South American Nations), CELAC (the Community of Latin American and Caribbean States, a regional cooperation bloc,). The progressive trends and new institutions defeated the imperialist Free Trade Area of the USA.
13. This has not gone without attempts by the US to sabotage the people’s course. Because of these achievements and Cuba's and Venezuela's strategic importance for the Latin American continent and the world, imperialism has not ceased its aggressive and destabilizing campaigns against the Bolivarian Revolution and the Cuban Revolution.
14. These campaigns manifest themselves in the attempted coup of April 11, 2002 and the oil work stoppage in Venezuela. US hostility is also seen in the presence of the US Fourth Fleet in the Caribbean Sea (anchored in Costa Rica) and the coup in Honduras, the attempted coups in Bolivia and Ecuador, the building of new military bases in Colombia, Panama and Costa Rica, and the recent aggression by the US empire imposing sanctions on the Venezuelan state-owned petroleum company (PDVSA).
15. As part of a response to the US aggression, intellectuals, professionals and many nations and social movements came together in Cuba to form an International Committee in Solidarity with the Bolivarian Revolution of Venezuela, the Nations and Processes of ALBA. Its purpose is to let imperialism know that the world supports the independence struggles taking place in Latin America and the Caribbean.

The document does not draw lessons or inspiration from these Latin American experiences which are undergoing the Second Independence.

The International situation

What the Document says on the international Situation

The document touches on the international situation, and shifts in the balance of forces. How the international situation is characterised is very important, because the movement post 1990 has tended to assess what is *not* possible based on an overly pessimistic assessment. The document states that 'The world is still struggling through the worst economic crisis since the Great Depression of the 1930s, in the context of important changes in the global balance of forces'. [para 6]

It needs to also reflect on the *positive side*, in particular: the shift in the centre of economic gravity to the South, the upsurge of progressive forces in Latin America, and popular movements in North Africa, and the emergence of the Occupy movement in the North. These developments represent the emergence of new alignments and paradigms, and open up new possibilities for progressive forces internationally. At the same time, the political resurgence of conservative parties in the North, assertion of backward economic austerity policies, and growing militarism and imperial adventures, make this a particularly dangerous time. We need a balanced and coherent analysis of this reality if we are to make a serious assessment of the international balance of forces.

The document does recognise that space has opened, but then suggests that global forces are unable to utilise it : "These developments have opened greater space for progressive alternatives, but much of the global left in the 1990's either abandoned left projects and ideas after the collapse of the Soviet Union (or chosen the path of Third Way-ism), or have been slow to make use of the space and provide alternative visions." [para 134] *This formulation may have been true in the 1990's, but is now redundant given what is happening today especially in Latin America.* It should recognise that important developments have taken place recently, as identified above.

The document also appears to be out of touch with the factors behind the political crisis of European social democracy. It states that "What is *particularly baffling* is that the European social democrats have been losing elections more comprehensively than ever before in the midst of the global economic and financial crisis- – there is a meltdown of the left all over Europe during the recent financial meltdown." [Para 135] It fails to recognise that the so-called 'left' (who really are now situated in the camp of the centre or even centre-right) are in trouble *because they were implicated in the implementation of failed neo-liberal policies. In this regard there was*

little difference between their economic policies and the approach of the centre-right.

The document characterises the state of the left globally, in quite an academic and problematic way: “The most vocal alternatives, if not entirely coherent, come from the counter-hegemonic, social and union movements, and the progressive Latin American states. These movements, although clear that they struggle against neo-liberal globalisation, in themselves are not clear whether it is a struggle against a form of capitalism or capitalism in general. What is further interesting about these global counter-hegemonic movements is that they represent a break with (Western) left traditions: although they include movements from the North, their orientation is South-facing; they do not comfortably conform to the traditional Left/Right ideological divide (often as skeptical of social democracy as they are of Marxism); their theoretical foundation is based on the concept that there are always alternatives – hence their positioning as counter-hegemonic.” [Para 136]

This is a narrow formulation focusing in a one-sided way on the World Social Forum current, and part of the anti-globalisation movement, and even then more accurately describes the situation a few years ago. It doesn't properly capture the perspectives in global labour, or in Latin America. In fact globally, there is an upsurge of interest in Marxism, particularly in the anti-globalisation movement post the global economic crisis, as well as in regions such as Latin America. By underplaying these progressive developments, the paper suggests an overly pessimistic reading of the international balance of forces.

At another level, the document superficially describes the involvement of the ANC in various multilateral international forums, without analysing the challenges in transforming these institutions, progress made, and areas which need particular attention [Para 202]. It further fails to analyse the implications of various South-South alliances, or the fact that this is a contested and contradictory terrain. It needs to explore the possibility of working with progressive allies in the South, particularly in Latin America, in examining regional development alternatives, and developing progressive South-South alliances within the overall South-South bloc.

Finally, the document's characterisation of the South Africa's involvement in the 'Socialist international' (SI) is misleading: it states that "our participation in the Socialist International has also seen us linking up with like-minded parties in government on matters of progressive governance". This may sound progressive. However, it fails to analyse the character of this forum, or the fact that many of the discredited European social democratic parties referred to above, actually play a central role in this organisation; or the historical anti-communist roots of this movement. If there are progressive possibilities in the organisation, the document fails to analyse these. A more

coherent analysis is required, including of whether it is appropriate for the ANC to be part of this movement, particularly in the runup to the Congress of the SI in August 2012 in Durban.

Africa

If the document fails in general to adequately explore the positive space which has opened up on the international front, it equally tends to exaggerate the positive political and economic shifts which it claims to have taken place in *Africa*. It begins by stating that: "By the time of our transition to democracy, the failure of the post-colonial state and the plunder of Africa's natural resources by political elites dominated the public discourse and narratives on Africa. The pre- independence African dream of a new Africa that places humanity and people's interests at the centre, was severely undermined by the incompetence, greed and corruption of the self-serving political and business elites." [para 151]

However it then goes on to argue that we are now seeing a 'third wave of democratisation': "The articulation that a different Africa is possible, through the concept of an African renaissance, saw the transformation of our continental institutions of governance, the reduction of violent conflicts and military rule, and a renewed commitment to African development and integration...our continent began engaging with the world increasingly on its own terms. The African continent of today is at a qualitatively different stage than at the start of our transition." It goes on to argue, based on this democratic renaissance, and shifts in the global economy, that "there is now irrefutable evidence that Africa's prospects have changed positively over the past decade. What is even more exciting is that there are real indications and scientific data showing that the vision of both Seme and Nkrumah seems more possible in the next three-to-five decades than in the previous century." [paras 152-3]

There is indeed reason for *some* optimism about space for progress in Africa. However, what is the evidence which S&T provides for this very rosy picture for Africa? It is mainly based on the idea that Africa is the next big region for economic development. The document, in glowing terms, characterises Africa as the 'next big investment frontier' for American and European businesses [para 154] . What type of investment is being spoken about, and how does this differ from the various waves of colonialism, the extraction of Africa's raw materials and cheap labour?

The document states that the "current economic crisis in the developed countries and the rise of China and India are two macro trends that may work to Africa's advantage, given the continent's natural resource endowments and the demographic profile of its workforce".[para 155] But it needs to acknowledge that this will only happen if Africa develops its own industrialisation agenda, rather than being the subject of other economic interests.

We need to qualify the terms under which Africa wants to attract investment. And clarify that we don't aim to be a zone for investment at all costs. Rather, we should be outlining what it would mean for Africa to construct a zone of development on its own terms. The picture in paragraph 154 is overly rosy, and concentrates too much on the growing *growth rate* in Africa, without looking at the composition of that growth, or its developmental impact; or the reality of continued underdevelopment for the majority of Africa's people. It makes favourable international comparisons on broad economic indicators, but does not look at the real impact of economic development on Africa's people: eg what are the human development indices of Africa say when compared to Brazil, or Latin America more broadly - recent studies by UN agencies and the OECD show for example that on key indicators such as poverty, employment and equality, Africa is falling way behind Latin America.

The document paints a glowing picture of the African economy, but fails to acknowledge that African development remains disproportionately reliant on exploitation of the commodities sector, in particular the recent boom, and there is no overall industrialisation strategy. In other words colonial patterns remain intact. We need an analysis which looks at these challenges, and how some of these economic growth dynamics can be harnessed to a *new African development and industrialization strategy*, reflecting inter alia on some of the ideas which are emerging in the South African government currently about regional development, infrastructure and industrialisation, and proposals for a common market which goes beyond narrow conceptions of macroeconomic convergence.

There also needs to be a more critical perspective on the developmental role South Africa should play in the region, and how to avoid sub-imperialist domination by South African business, as discussed in Polokwane. At para 159 the document states that in relation to Africa as the 'new investment frontier' South Africa has to position itself more strategically, asking "How many patriotic entrepreneurs are pathfinders in the unexplored and under-serviced African markets? How many of our state-owned enterprises have made the continent their investment frontier?" But we need to avoid positioning ourselves as a sub-imperialist power, and consciously construct another role for SA in the region, led by our government, rather than encouraging a free for all, in which the government merely paves the way through diplomatic and political relations, for South African business to continue their exploitative conduct. What is the model of development we are promoting?

We also need to look at the promising and dynamic regional development strategies being forged in Latin America, including through the deliberate promotion of regional industrial and trade strategies, and the creation of a

regional financial policy to create independence from the Bretton Woods institutions.

Migration: The document correctly raises the politically charged issue of migration, but doesn't really go beyond a general statement . It states that “Apart from inward migration, there is also migration from other countries, including but not exclusively from the African continent. Our migration policy has to situate this in the global, regional and national context, so that we develop sustainable and cooperative approaches with other affected countries.” [Para 112]The document should begin to flag what the content of a rural development and regional African development strategy would be, to address some of these challenges- and reflect on various alliance and government policy perspectives on these matters.

Political organisation: The document correctly states that the political organisation of the progressive forces is lagging behind, and asserts that “The principal problem of the African revolution is that of social agency” [para 156] While this may be correct up to a point (although the document in our view exaggerates progress made on the socio-economic front) it needs to recognise the lack of development of progressive political formations, is linked to material realities in African societies, and an underdeveloped working class. Given these realities, what needs to be done by those advancing a progressive political project in Africa?

Strengthening the document

As part of strengthening the document the following may be added:

It is now almost 18 to 20 years since all these qualitative changes took place and the lie for the glory of Capitalism could no longer be sustained when the Epicentres of Capitalism in the USA and Europe experienced chronic failures in the capitalist system.

As a result of the multiple chronic failures of capitalism, ordinary people are already beginning to declare their lack of confidence to the capitalist system.

According to the survey conducted by the GlobeScan based on findings, drawn from 12,884 interviews across 25 countries, show that there has been a sharp fall in the number of Americans who think that the free market economy is the best economic system for the future.

Americans with incomes below \$20,000 were particularly likely to have lost faith in the free market over the past year, with their support dropping from 76 percent to 44 percent between 2009 and 2010. American women have also become much less positive, with 52 percent backing the free market in 2010, down from 73 percent in 2009.

According to the Pew Research Center's Global Attitudes Project, conducted in Russia, Ukraine and Lithuania from March 21 to April 7 as part of a broader 23-nation poll in spring 2011 shows that two decades after the Soviet Union's collapse, Russians, Ukrainians, and Lithuanians are unhappy with the direction of their countries and disillusioned with the state of their politics. Enthusiasm for democracy and capitalism has waned considerably over the past 20 years, and most believe the changes that have taken place since 1991 have had a negative impact on public morality, law and order, and standards of living.

There is a widespread perception that political and business elites have enjoyed the spoils of the last two decades, while average citizens have been left behind.

People in these former Soviet republics are much less confident that democracy can solve their country's problems than they were in 1991.

When asked whether they should rely on a democratic form of government or a leader with a strong hand to solve their national problems, only about three-in-ten Russians and Ukrainians choose democracy, down significantly from 1991. Roughly half (52%) say this in Lithuania, a 27-percentage-point decline from the level recorded two decades ago.

When asked about the current state of democracy in their country, big majorities in all three former republics say they are dissatisfied. Moreover, in Lithuania and Ukraine, dissatisfaction has increased in just the last two years. A fall 2009 Pew Global Attitudes survey found that 60% of Lithuanians said they were dissatisfied with the way democracy was working; today 72% say so. In Ukraine, unhappiness with the state of democracy has risen from 70% to 81%.

It is in this context that the BRICS with CHINA at the helm is being considered as a serious counter balancing block to the USA and Europe.

BRICS countries are expected to contribute one third of the world's GDP increment in 2015, by which time their total economy will surpass America.

Estimated on the basis of current market exchange rates, the BRICS (Brazil, Russia, Indian, China and South Africa) grouping would make up about 22 per cent of the world economy.

It is predicted that the BRICS (Brazil, Russia, Indian, China, and South Africa) countries would have a stable and fairly rapid growth momentum in the next 15 years. (The Annual Report of Social-Economic Development (2011) on BRICS, a blue book released on Thursday 14th April, 2011 by the Social Sciences Academic Press of China.)

The BRICS are both the fastest growing and largest emerging markets economies. They account for almost three billion people, or just under half of the total population of the world.

Proposed Structure of the Final Document

1. Background

1.1 The Second Transition Document in Relation to Other Documents

1.2 What is the ANC?

1.3 Revolutionary perspectives of our movement

1.4 Strategic objectives of our revolution

1.5 The national democratic revolution

Part A. The First 18 Years of Democracy: Progress and Setbacks

- 2.1. Our political perspective on the impact of the 2008 Global Economic Crisis
- 2.2. Class content of democratisation
- 2.3. The crisis of neo-Colonialism of a Special Type
- 2.4. Economic outcomes (unemployment, inequality, poverty, ownership and control)
- 2.5. Social outcomes (education, health, public access to services, etc.)
- 2.6. Nation-building, social cohesion, non-racialism, non-sexism and social solidarity
- 2.7. International standing and capacity to influence processes in favour of left progressive forces
- 2.8. How have we used access to political power to transform South African society, state capacity and capability, have we progressed since Polokwane?
- 2.9. The motive forces and their organisations
- 2.10. The enemy and our response

Part A. The Content of the Second Transition: Pulling the Threads Together

3.1 The Economic Transformational Content of the Second Transition

3.1.1 Is the concept of Second Transition find expression in the ETC, SIMS, and the DFI's document?

3.1.2 Draw in the Cosatu input on ETC, and show that the ETC and other relevant documents are not providing the required decisive break with the status quo

3.1.3 Our Proposals on the economic content of the Second Transition

3.1.3.1 Redistribution of economic resources

3.1.3.2 Ownership and Control of the Economy in favour of the working class and the poor

3.1.3.3 Industrial development as the primary focus

3.1.3.4 Meeting Basic Needs

3.1.3.5 Development of Africa

3.1.3.6 Environmental Sustainability

4 The Social Transformational Content of the Second Transition

4.1 Draw in Cosatu input on the document on social transformation, education and health

4.2 People's Free Education

4.3 Free Healthcare for All—Accelerating NHI

4.4 Affordable, Accessible, Safe and Reliable Public Transport

4.5 Sustainable and Secure Human Settlements

4.6 Achieving Social Security for All

4.7 Nation-building and social cohesion

5 The Internationalist Perspective of the Second Transition

5.1 South-South Relations

5.2 Our role and approach in multilateral institutions

5.3 Strengthening the internal socialist bloc

5.4 Peace and stability

6. The State and Transformation

6.1 Cosatu input on legislatures and governance, does the ANC paper usher in a second transition?

6.2 State as an organ of class rule

6.3 The relationship between the state and the ANC-led Alliance—mass power and state power

6.4 State capacity and capability towards the Second Transition: class implications

6.5 The Judiciary, Legislature and the Executive for the Second Transition

6.6 Repressive and Ideological State Apparatuses in the Second Transition

Part B: The Strategy and Tactics of the Second Transition

6 Analysis of the Global and Domestic Balance of Class Forces

7 The Motive Forces of the National Democratic Revolution

8 Understanding the Class Enemy of the National Democratic Revolution

9 Forms of Organisation and Struggle of the Motive Forces of the Revolution

10 Building the Capacity of our Movement for the Battle of Ideas for the Second Transition

11 Prospects of Revolutionary Transformation in the Second Transition

We will have to get facts to substantiate all the points we make! We will draw these from our socio-economic reports, growth path documents and other historical documents of the Alliance and Cosatu.

We will have to get more up-to-date info from HSRC, etc. We also need to dispel the positioning of the NPC document as the foundation of the Second Transition document. This will require a double-task be undertaken to critique the NDP whilst at the same time strengthening the Second Transition document. We have to isolate the Class of 1996 from influencing the trajectory of the revolution through the NDP.

Time-lines:

This task will be finalised on the 21st June.

We emphasise that affiliates must be actively involved in these debates and must engage the document. Our movement is once again, in another cross-roads, as usual. This should be seen as a rescue package for our class.