

## **Summary**

**23<sup>rd</sup> – 26<sup>th</sup> November 2015 COSATU 12<sup>th</sup> National Congress**

### **Secretariat Report**

*“Unity and Cohesion of COSATU to advance the National Democratic Revolution”*

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## **Political Section**

### **Book 1**

#### **Introduction**

This 12th National Congress marks 30 years of firm, unbroken and uncompromising fight by our colossal federation which up to this day remains at the forefront of workers’ struggle. In 1985 at our launching Congress, we had a membership of 500 000 drawn from thirty-three (33) affiliates. At this 12<sup>th</sup> National Congress we have 1, 9 million members drawn from eighteen (18) affiliated unions.

We stand on the shoulders of those workers whom 225 years ago gathered to form the first labour union in 1790. We add to the colorful history of struggle by those workers who 151 years ago formed the first international working men’s association in 1864.

Our record of struggle speaks for itself. We have never been neutral. We have never been on the side of the monopolies or with the transnational corporations. We have never been on the side of the bourgeoisie and imperialists. This federation has always remained on the side of the workers' struggles for basic rights and total emancipation both in our country and beyond our borders. We have always been in the trenches with those who have fought for peace, progress and the elimination of exploitation of man by man.

We have done this not for political expediency, but because of our conviction that the total liberation of the workers and the working class is priceless. We continue to pursue these revolutionary virtues up to this day.

COSATU is a trade union movement which has been built over the past 30 years, based on the traditions of strong shop floor organisation and militant struggles for worker rights, collective bargaining and power; activism; democratic organisation controlled by workers and based on campaigns and mobilisation; incorporation of broader social issues and interests into our programme, thus building alliances with community organisations, with the political movement and with intellectuals, etc .

We come to this 12<sup>th</sup> National Congress carrying with us a record of victories secured by workers over the last thirty years. Amongst these include the fact that right from the onset, working with the Mass Democratic Movement, under the leadership of the United Democratic

Front (UDF), we have waged relentless struggles in the fight against the apartheid regime to succumb to the demands, among others, of burning the pass laws.

When COSATU was launched, it received a baptismal of fire in that in the same period of its birth in 1985, an unprecedented 1.3-million working hours were lost to strike action. In response, government applied a state of emergency between July 1985 and March 1986 in many parts of the country.

On July 23, 1986, the apartheid regime lifted the requirement to carry passbooks and on the 13<sup>th</sup> November in the same year (1986), the pass laws were formally removed from the statute books.

In the early years of COSATU we had already shown our fighting capacity as we took the bull by its horns and challenged the Botha regime on the amendments of the Labour Relations Act (LRA). In 1988, millions of workers stayed away from work to press for the reversal of the changes in the Labour Relations Act, despite the consistent threat of dismissals by employers. In 1990, the regime agreed to COSATU's proposed amendments to the LRA.

We worked together with the Alliance to challenge the economic agenda of the apartheid state through the anti-privatisation, fuel-price and anti-VAT campaigns. These struggles forced the apartheid regime to the table to discuss these matters, leading to the formation of the National Economic Forum (NEF), the predecessor of NEDLAC. This concession was historic, as it forced the apartheid government to negotiate economic policy. It stopped attempts to fundamentally restructure the economy on the eve of the democratic breakthrough.

This giant federation played a leading role towards the development of the Reconstruction and Development Programme (RDP) which was adopted by the ANC as its electoral platform in 1994. The RDP continues to provide a core vision for the Alliance.

At this 12<sup>th</sup> National Congress, we remain inspired by our brave forbearers who took the apartheid bull by its horns and killed it with bear hands. We continue to march forward through the political storm and barriers imposed by both international imperialism and its domestic proxies with our chests up-high with the same bravery and increased vigour to confront our class adversaries.

This Congress is held 60 years since the adoption of the Freedom Charter in 1955 in which our people, on amongst others, declared that we want a South Africa where "the people shall share in the country's wealth", where the Land shall be shared amongst those who work it "and where there "shall be work and Security".

This 12<sup>th</sup> National Congress is also convened in a year which marks 60 years since the formation of SACTU, our predecessor, which was launched in March 1955, the same year as the Freedom Charter. We remain guided by the perspective articulated by Chief Albert Luthuli on the dialectical relationship between the trade union struggle and the political struggle when he said "*I am glad that South African Congress of Trade Unions (SACTU) has not listened to the ill*

*advice that they should not be interested in politics. There is a (Zulu) saying that if you are pricked by a thorn you also have to use a thorn to get it out. Workers are oppressed by political action; they must take political action in reply”.*

On the same year of the founding of SACTU, comrade Walter Sisulu wrote and captured the essence of this 12<sup>th</sup> National Congress when he said *“the victory can only be won and imperialism uprooted by forging strong ties of alliance between the liberation movements and the trade union movements, by correcting any misconceptions that the trade unions had nothing to do with politics. Similarly, political leaders must know that the struggle of the people depends on the workers, and therefore it must be their duty to organize workers into trade union movement”.*

This captures the essence that our movement has always embraced the strategic role of the progressive trade union movement as the organised detachment of the working class which must remain as part of the contingent at the forefront of the National Democratic Revolution.

This explains the consistent understanding expressed in multiple COSATU policy positions of linking work-place struggles to political struggles. It is for this reason that despite all challenges confronting our revolution in general, and our movement in particular, our 2015 Plan clearly articulates that, among others, *‘the ANC is our organisation, and we are not going to throw in the towel and leave it...’*

This Congress is a continuation of our successful Special National Congress in which workers from across the length and breadth of our country stood up and re-affirmed that the golden rule in a political struggle is to always isolate the most dangerous enemy, whilst at the same time strengthening to the maximum the people’s camp.

We remain of the firm view, as articulated by the Special National Congress, that *“while factory-based struggles are of importance, a complete strategy for change cannot simply rest at this level. Even from a pure working class and economic position, it is completely wrong to limit workers to factory-based issues. The question of Politics of who holds state power, of who makes the laws, of who controls the police, the courts, the army, prisons and administration cannot be ignored. Without addressing these questions the factory gains made by workers will be in danger of being wiped out”*

We have learned from our common, painful experiences that we can win battles on wage increases at the work-place level, only to have those eroded by increases in transport costs, municipal fee rates, increase in electricity tariffs, food, children’s educational fees, tax, erosion of pension funds through rising costs of living, etc. It is for these reasons that from the onset, COSATU mobilised workers and communities behind the Living Wage Campaign.

We are still fresh from the Special National Congress where workers unambiguously said they want a united and campaigning COSATU which remains a home for all workers, where there is discipline, where members’ issues and workplace struggles remains a priority. The Special National Congress was unambiguous that rampant ill-discipline where acting outside the

policy of the Federation and outside the Constitution of the federation will henceforth be an occurrence of the past. Any conduct which defies this Congress directive has no place in this federation. We are moving forward with our relentless endeavours to forge unity, hence there has been qualitative progress in this regard since the Special National Congress.

This 12<sup>th</sup> session of the workers parliament coincides with the year of evaluating our 2015 Plan and demands of us all to sit back, put our emotions aside, crystallise and evaluate the laborious, grueling, and arduous path we have travelled. This plan directs that the two central pillars of our strategy must be building working class power and ensuring quality jobs. These twin thrusts must be linked and should reinforce each other.

In particular, engagement on policy issues must support organisational development, rather than overshadowing it. Our longer- term approach has defined, above all:

1. Strategies to build the power of the organised working class in South Africa, in our region and continent as well as internationally;
2. Strategies to make our relationship with the Alliance work; and
3. The priority areas for intervening on socio economic policy in the short term to stem the jobless bloodbath and fight for quality jobs.

This is a Congress which offers a platform from which we can draw lessons, celebrate the advances we have made and confront the reasons which led to the setbacks we experienced in our struggle.

This constitutes the core task of this 12<sup>th</sup> National Congress. It is a task we dare not fail to execute as we pay our respect to our forbearers such as Vuyisile Mini, Lukesmart Ngudle, Lesley Masina, Oscar Mpetha, Matthew Goniwe, Fort Calatha, Rick Turner, Ruth First, Pretty Shuping, Elijah Barayi, Chris Dlamini, Steven Dlamini, Thozamile Gqwetha, Jabulile Ndlovu, Mbuyiselo Ngwenda, Violet Seboni, Allinah Rantsolase , Bill Andrews, Dora Tamana, James La Guma, JB Marks, Lillian Ngoyi, Francis Baard, Poobie Naidoo, Alpheus Malivha, Don Pasquale, John Gomomo, Mzala Nxumalo, Walter Sisulu, Moses Kotane, Chief Albert Luthuli, Ray Alexander, Elizabeth Nanna Abrahams, Elizabeth Mafikeng, Billy Nair, our Walter Sisulu, Moses Mabhida, Joe Slovo, Govan Mbeki, Oliver Tambo, Nelson Mandela and indeed, our own Chris Hani.

We come to this 12<sup>th</sup> National Congress carrying lessons which have been derived from our own practical and collective experiences forcing us into an inevitable conclusion that our forbearers were correct when they said *“the art of revolutionary leadership consists in providing leadership to the masses and not just to its most advanced elements; it consists of setting a pace which accords with objective conditions and the real possibilities at hand. The revolutionary-sounding phrase does not always reflect revolutionary policy, and revolutionary-sounding policy is not always the spring-board for revolutionary advance. Indeed what appears to be “militant” and “revolutionary” can often be counter-revolutionary”*. That *“the winning of our freedom ....*

*demands more than passion. It demands an understanding and an implementation of revolutionary theory and techniques in the actual conditions facing us. It demands a sober assessment of the obstacles in our way and an appreciation that such a struggle is bitter and protracted. It demands, too, the dominance in our thinking of achievement over drama”.*

Therefore, this Congress, whilst it will be reflecting on the journey we have traversed and deriving lessons from the past, it is more about the burden of work carried by the current generation of members and leaders alike to find practical solutions to the challenges of our time.

This section deals with the international balance of forces and its impact on the domestic balance of forces regarding how the alignment of these forces limits or advances the strategic objectives of the National Democratic Revolution.

## **SECTION 1: POLITICAL**

*According to materialist dialectics.....the contradiction between the productive forces and the relations of production, the contradiction between classes and the contradiction between the old and the new; it is the development of these contradictions that pushes society forward and gives the impetus for the supersession of the old society by the new. (Materialist Dialectics also holds that) external causes are the condition of change and internal causes are the basis of change, and that external causes become operative through internal causes. In a suitable temperature an egg changes into a chicken, but no temperature can change a stone into a chicken, because each has a different basis”. - Mao Tse Tung, On Contradiction.*

There have been developments in the recent period which defined the form and by no means the content and essence of the international balance of forces. These includes the re-election of OBAMA as the first black president of the United States of America (USA), the release of the Cuban Five, announcements which signaled a change in the diplomatic relations between CUBA and the USA, the passing away of comrade Hugo Chavez – the president of Venezuela who had openly showed determination and being decisive about a Socialist future of Bolivarian revolution, Election of the Latin American Pope, the establishment of the BRICS Development Bank, the emergence of the Boko Haram and Al Shabib in Africa, the Palestine Flag flying at the United Nations head quarters, and the rising of the tempo of the struggle inside Swaziland leading to the release of Mario Masuku, the president of PUDEMO because of the pressure mounted by Swaziland people themselves against the Mswati regime.

Whilst these are important developments, they do not represent the totality of the configuration in the international balance of forces. The following discussion is a reflection on the relevant aspects in the international balance of forces.

The starting point is that COSATU is a federation of trade unions that is concerned with workplace based issues including job security, improvement of working conditions and salaries. . We do not analyse the balance of forces for its own sake, but we do so in order to develop strategies on how we can tilt them in our favour or exploit the existing opportunities presented by such a configuration of forces .

### **1.1. How has the international balance of forces changed since our last National Congress?**

As we were engaging at the 11<sup>th</sup> National Congress, there were many positive signs that the world was changing and the dream of “Another World Is Possible” was being strengthened. At that time we observed among others the following:

1. The advance of progressive left governments and peoples movements in Latin America. Seven of the ten major Latin American countries had left or centre-left governments.
2. It is in this context, for an example, that the workers of Cuba, Venezuela, Ecuador, Bolivia, Uruguay, and Argentina 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.
3. The uprising in the North Africa and Middle East, known as the ‘Arab Spring’, were a significant development with profound geo-political implications, including oil, the Israel-Palestine question, and the role of the US and its allies in the region.
4. The election of South Africa as the new chairperson of the African Union Commission and the adoption of a 50 year AU Vision in 2013; the AU Agenda 2063 programme which included regional economic integration programme, peace and stability. A vision of industrialisation of the continent has begun to emerge, going beyond the conservative vision of macroeconomic convergence contained in NEPAD.
5. The resurgence of popular resistance in the countries of developed North, especially in the PIIGS countries, namely Portugal, Ireland, Italy, Greece and Spain. In these countries, people responded by staging unprecedented political resistance, including general strikes and street occupations.
6. The rising economic role of the South, its organisation into regional and international blocs, and its assertion of a new global agenda with all its contradictions.
7. The growth of the green agenda as an integral part of the emerging international movement for the economic and social transformation.

As we converge into this 12<sup>th</sup> session of the workers parliament, the international situation continues to be characterized by the deepening of the crisis of capitalism, which is centered in the USA and with special focus in Europe, which affects all countries at the global level.

## **1.2. The current International Balance of forces – Is the world balance of forces changing in our favour?**

The contradiction between imperialism and the oppressed people of the world is currently the dominant contradiction. It is for this reason that this report will analyse the balance of forces based on an understanding of Imperialism.

The dominant features of imperialism in the current epoch is how it seeks to shift the burden of a capitalist crisis to the workers, and the working class in general, whilst at the same time arrogantly cushioning capital and allowing it more space for continued accumulation. This is done through the following tactics:

### **1.2.1. Increasing the rate of exploitation**

The central axes of this offensive include cuts in real wages; Intensification of work periods; deregulation and increase in working hours; deregulation of labour relations; widespread casual labour, particularly among the women and young workers; Overexploitation of migrant workers. Appropriation of labour productivity gains by capital; Increase in the retirement age; Cuts in pensions and retirement benefits; Increase in unemployment rates; Regression of social and labour rights; The denial of the right to bargain collectively and to strike.

### **1.2.2. Waging an offensive against Trade Unions in various countries**

This is done through heightening attacks against class-oriented trade unionism and collective bargaining, that seeks to divide and rule, that increases the cleavage between public and private workers which deepens discrimination and division of occupations and fosters individual labour relations, to break the solidarity among the working class and weaken the unions.

### **1.2.3. Layoffs and retrenchments facilitated by global boom in mergers and acquisitions**

As of August 2015 there have been reported massive lay-offs. Major transnational corporations, including Kraft, Motorola, Lenovo, Tyson and HTC have announced mass layoffs amid a boom in mergers and acquisitions, which are on track to hit a record this year.

Mergers activity has soared even as real economic growth has slowed. According to predictions by the International Monetary Fund, 2015 is set to be the slowest year for economic growth since 2009. The already gloomy growth outlook for the year was made worse with the release of economic data for the euro zone showing that the region's economy grew only 0.3 percent in the second quarter, significantly lower than had been predicted by analysts.

**South African Experience:** In South Africa we have had mergers forced through by such companies as Wal-Mart, we have an experience of Elleries and African Bank and how this negatively impacted on our economy. We are still recovering from the EDCON experience.

We have just rejected the SABMiller –AB Inbev merger on the basis that it was going to cost the South African economy.

We made a call to government, local and international regulators and the South African state employees' pension fund investor, the Public Investment Corporation (PIC), not to ratify the deal.

#### **1.2.4. The rise of Immigration within developing countries and between the developing and the Developed Countries.**

Migration is on amongst others caused by climate change, poverty, and hunger unemployment but more important it is induced by political instability and wars.

The imperialist invasions and interventions undermine and block the right of the people to decide for themselves on their present and future lives. They force millions into migration,

People are forced to leave their countries of origin because of conditions created by imposed wars of imperialism. Most of these immigrants are mainly coming from the Middle East, Africa, Central America and Mexico to USA and Europe.

According the UN report on migration approximately 1 billion of the world's 7 billion people are migrants. Some 214 million are international migrants. Another 740 million are internal migrants. South to- South migration is now just as important in volume as South-to-North migration, and North-to-South migration is a growing phenomenon.

According to the ILO: World of work Report, 2014, "there are 231.5 million international migrants in the world. That is about 3 percent of the global population. This overall total is 57 million higher than it was in 2000 and, during the first decade of the century, the world's migrant stock grew twice as fast as it had in the previous ten years. There has been a deceleration since 2010, reflecting in large measure the disruptive effects of the global economic crisis".

Contrary to a popular belief that migration is mainly from the South to the North but it is estimated that between 3 per cent and 6 per cent of all international migrants have moved from North to South (IOM, forthcoming).

One in seven of the world's population is a migrant, including some 214 million international migrants, and 740 million internal migrants.

In 2012 alone, an estimated 32.4 million people in 82 countries were newly displaced by disasters associated with natural hazard events (98% triggered by climate- and weather-



related causes) (IDMC, 2013) and this excludes those compelled to move due to slow-onset processes, such as desertification and sea-level rise.

It is disturbing to note that whilst the South did not create stringent anti migrant policies against migrants from the north and yet currently the European Union and the US are developing laws aimed at barring people from entering into their borders and allowing the exploitation of migrant workers.

We also observe with concern that while trade and finance are regulated by international organizations, migration is the purview of national governments, which determine who can enter and what foreigners can do inside their borders.

In South Africa, just over two-thirds of people granted permanent residence permits in 2014 were from other African countries, according to the Statistics South Africa report released in 2015. The said report further reveals that Forty-six percent of the total permanent residence permits were for people from Southern African Development Community (SADC) countries, with the greatest number of people coming from Zimbabwe. This is largely due to a special dispensation, which made it easier for Zimbabweans to obtain residence permits in South Africa. Zimbabweans account for 42.6 percent (1939 people) of immigrants from the 10 leading African countries, followed by the Democratic Republic of Congo (DRC) with 12.9 percent (587), Nigeria with 10.3 percent (470) and Lesotho with 4.7 percent (213).

#### **1.2.5. The Rise Of European Extreme Right Wing Parties**

One of the most disturbing developments has been the rapid rise of European right-wing parties. Some of them have won elections. Even where they have not yet triumphed electorally, far-right parties have forced Xenophobia and Eurocentric rhetoric to be the main agenda in their countries.

The strategy employed by the Imperialist forces has an agenda which intersects and reinforces the agenda of the extreme right wing or create a fertile ground for the extreme right wing's agenda to intensify.

#### **1.2.6. The deepening of the global economic crisis at the expense of the working class**

There has been a regression, which in itself is the generator of more and bigger crises and it include amongst others the centralization and concentration of capital and wealth; the financialisation of the economy; the systematic attack on the social functions of the State achieved through struggle the struggle of the workers and peoples; the commercialization of all spheres of social life, in a logic of privatizing all that can bring higher returns to capital; the attacks on international law and sovereignty of the States; the centralization of political power and its submission to economic power and to the strategies of militarization of international relations, are features of capitalist policies that dominate most countries all over the world.

### **1.2.7. Hollowing out of the Uprising in Egypt and in other countries**

The reversal of almost all the democratic gains in Egypt and the Arab Spring, and the contestation for the direction of these uprisings ; This also included the intensification of dangerous military interventions being taken in pursuit of economic and geo-political interest in countries where there were uprisings.

### **1.2.8. Attempts to reverse political gains in Latin America by the right wing**

The majority of popular democratic governments who have been decisive about implementing radical economic transformation operate under threat of regime change campaigns as it has been seen in the Bolivarian Republic of Venezuela and Brazil where attacks directed at the popular government came from various fronts.

In South Africa we have seen similar attempts encored around the anti – majoritarian offensive led by the opposition. This included mounting a campaign both in parliament and outside parliament to undermine the ANC led government. This campaign included calls the mobilization of some civil society organization around such campaigns as Vote No campaign , “Pay Back the money “ and , repeated attempts to remove both the state president and the chairperson of parliament. The recent attempt included a call for the impeachment of the state president. All these attempts like those of the right wing in Brazil and Venezuela continues to fail.

### **1.2.9. Attempts by international Capital to reverse hard won workers’ rights**

**The attacks on hard won labour rights include attacks on the right to strike and Trade unions rights in many parts of the world.**

### **1.2.10. High levels of Poverty and unemployment**

The 2014 World of Work Report indicates that the levels of poverty elevated despite the considerable progress already made. The disparity in quality jobs remains significant as about 1.5 billion people are in vulnerable employment. Around 200 million new jobs are needed over the next 5 years to keep pace with the growing working-age population in emerging and developing countries.

In South Africa, despite the advances made in the past 21 years, the high levels of unemployment, poverty and inequality remains a black spot. The international trend on worsening unemployment and poverty reflect the reality in South Africa.

We remain confronted with a reality that more than 7.6 million people in our our country are without employment in the country. The youth of the country is mostly affected by unemployment. .

### **1.2.11. Offensive by the US on the Islamic states and in Iraq**

The offensive led by the US and allies in Iraq and Syria on the Islamic States, following the disastrous intervention in Libya, is a clear expression and demonstration of both military and political power of the West which is hell-bent on dictating to the world outside the United Nations.

The strategy has been that the USA initiates war in a targeted country based on some unfounded allegations of the existence of terrorism or existence of weapons of mass destruction. This becomes a reason to intervene in a country and wage a war which ultimately destroys the country's infrastructure. Once this happens and the war is said to be over, thereafter the USA sends its agencies including the private sector to become part of the reconstruction and development in that very same country.

### **1.2.12. Heightening of an offensive against Palestine**

The Israel political and military offensive against the people of Palestine has over the years heightened. This can be defined as a war crime and the fact that the United Nations has been prevented from taking action by the US and its allies also demonstrate a reversal of progress in the world development of human rights.

With the latest developments in the UN, we have observed progress when Palestine was allowed into the UN as a sovereign state in its own right.

Whilst there is progress in terms of the commitment shown by the UN to assert the independence and the right to self determination by the Palestinian, this Congress must however discuss if COSATU's call for a two state solution is still relevant given the fact that the bigger portion of Palestine has been ruthlessly taken by Israel.

### **1.3. The Post- 2008 global economic crisis and issues arising for further debate:**

1. In comparison to previous rounds of crises, this is the biggest crisis of the capitalist system since the great depression experienced in the late 1920's. At the point when the economic crisis emerged the USA working with financial institutions used tax payers' money to step in and bail out American International Group (AIG), a transnational insurance giant that threatened to go under and take the entire American and world financial system with it. This was the beginning of a process that has since seen central banks around the world continually increase the supply of ultra-cheap money—the US Federal Reserve alone has pumped out more than \$4 trillion—to finance the speculation and parasitism of the banks and finance houses. These measures were accompanied by

ruthless austerity and wage-cutting aimed at permanently slashing the living standards of the working class in Europe and the US. They have done nothing to alleviate the crisis. On the contrary, they have created the conditions for another disaster.

This is evidenced by the recent violent fluctuations on financial and currency markets, including the fall of the Chinese stock market and collapse of some emerging market currencies in South East Asia to their lowest point since the Asian crisis of 1997–98.

Not only have none of the underlying contradictions that led to the crisis of 2008 been overcome, the very measures adopted over the past seven years have intensified them.

2. The concerns were compounded by the political dimensions of the crisis in China. In the aftermath of the horrific warehouse explosion in Tianjin, and amidst a rising tide of labour protests and strikes (nearly twenty times the rate four years ago), capitalist governments and bankers fear an unraveling of the Stalinist regime that has presided over the transformation of China into the world's foremost cheap-labour manufacturing center.
3. All we know for now is that corporate profits, stock prices and the fortunes of the rich and the super-rich have soared and social inequality has reached unprecedented levels as a result of a vast transfer of wealth from the bottom to the top. But these class-war policies, far from resolving the crisis, have strengthened the tendencies toward slump, exacerbating the contradictions that produced the crisis.
4. Some key indicators of the crisis the world face, as summed up in the Causes of Poverty by Anup Shah, 28<sup>th</sup> September, 2014;
  - i. Almost half the world — over 3 billion people — live on less than \$2.50 a day.
  - ii. The GDP (Gross Domestic Product) of the 41 Heavily Indebted Poor Countries (567 million people) is less than the wealth of the world's 7 richest people combined.
  - iii. Nearly a billion people entered the 21st century unable to read a book or sign their names.
  - iv. Less than one per cent of what the world spent every year on weapons was needed to put every child into school by the year 2000 and yet it didn't happen.
  - v. 1 billion children live in poverty (1 in 2 children in the world). 640 million live without adequate shelter, 400 million have no access to safe water, 270 million have no access to health services. 10.6 million died in 2003 before they reached the age of 5 (or roughly 29,000 children per day).

(e) The most notable patterns of the world today can be summed up in the following way;

- According to the United Nations World economic Situation and Prospects (WESP) 2015 Report, launched in January this year, “the global economy is expected to grow 3.1 per cent in 2015 and 3.3 percent in 2016, compared with an estimated growth of 2.6 per cent for 2014”.
- It went on to outline that “unemployment figures remain historically high in some regions, but appear to have stopped rising. While global inflation remains subdued, the spectrum ranges from deflation risks in the Euro area to high inflation in some developing countries. Foreign direct investment inflows have remained the most stable and relevant source of financing for developing countries whereas portfolio capital flows are highly sensitive to changes in risk appetite”
- It is interesting to note that among the developed economies, while the US maintained an annual growth rate above 2 per cent in 2014, the economic situation in Europe has been very worrying, where a number of states teetered on the brink of recession.
- Trade agreements like the Transatlantic Trade and Investment Partnership (TTIP) and the Planned EU-India Free Trade agreement and the Economic Partnership Agreements, are to a large extent, driven and in the interest of big business and not the developmental agenda of the people, particularly on our continent and the rest of the developing world.
- Jean Zigler, well known former UN Rapporteur for the right to food, summed it well when he said, “If somebody in this room believes that the G7 Summit is a meeting of independent state leaders, that is a fallacy”. He went on say that just 500 big corporations, control 52.9% of the world’s GDP. “They have powers like no kings, emperors or Popes had ever before. This small group is shaping the markets and controlling technologies”.
- However, the fact that imperialism has unleashed the most vicious forms of anti-worker offensive, doesn’t translate into passivity on the part of the working class. Instead, the working class is on the streets as seen in Greece, the new epi-centre of imperialist neo-liberal offensive. The whole of Southern Europe is in turmoil with the working class resisting the neo-liberal impositions, particularly by German and France, seeking to consolidate a firmly neoliberal agenda for the whole Europe led by them.

- The global south has also seen intense struggles from Brazil to Peru, from India to Philippines and South Korea, and the whole of the North Africa is facing real struggles of varying forms.
- There is also are growing tendencies towards new alignment in the international political and economic system, which some term multi-polarisation. In this regard, we need to consider what we can learn from other countries and regions, about the possibilities and limits of engaging the imperialist powers within this new correlation of international forces.

#### **1.4. Use of Wars to advance an Imperialist Agenda and to weaken the emerging counter hegemonic block**

As part of the multi pronged strategy to eliminate its increasingly deepening crisis and where imperialism fails to use its other methods such as imposing its economic policy package, it imposes imperialist wars, or spreads regional wars, or intensifies the level of exploitation in the semi-colonies. Basically at the centre of this strategy is that imperialists centres instead of resolving their own internal crisis, they create crisis in other parts of the world as a way of deflecting the impact of their own internal crisis which is essentially the inevitable crisis of imperialism as the highest stage of Capitalism.

In the process imperialism launches wars of massive human destruction which results to various forms of inhuman repercussions.

For an example the conflicts we have seen in Syria, Yemen, Ukraine, Gaza, Central African Republic and South Sudan, and in many parts of the world has had an impact of displacing about 33, 3 million from their homes. The UN Refugee agency reported that 5.5m people were newly displaced in the first half of 2014 alone.

#### **1.5. The USA – Led Imperialist Wars have been intended to extend its tentacles of consolidating the Accumulation Regime and Secure Imperialist Interests**

The USA has intensified its war against IRAQ under the pretext of fighting ISIS.

The real strategic intention of attacking IRAQ is not ISIS but the issue at stake is the control of Iraq's vast energy resources and the supply routes through its territory.

Iraq has the fifth largest proven oil reserves in the world and Washington and its allies have no intention of surrendering the oil contracts now controlled by Western companies. The US is seeking to preserve its unimpeded access to oil and gas, while determining how much of these vital energy resources are available to other countries—especially to its rivals China and Russia.

### **1.6. Is the World still uni-polar?**

There has always existed a differentiation within the international imperialist system, with the USA acquiring first place in the immediate post-war period and leading the struggle against socialism, in which the USSR played the leading role.

The struggle between NATO-OECD and the Warsaw Pact-Council of Mutual Economic Assistance was a class struggle. After the overthrow of Soviet power and the dissolution of the USSR inter-imperialist contradictions intensified- due to its strength the USA played the leading role in these.

At the same time, because of uneven capitalist development, new rising imperialist powers emerged alongside the USA, the EU and Japan, seeking to acquire a share of the raw materials, their transport routes and the markets. This is presented today by the bourgeois media and analysts as a "multi-polar world" and as the end of the "uni-polar world".

The argument goes that despite the rising power of China, and increasing counter-hegemony of BRICS and other forces from the developing world against the western world, the world still remains essentially uni-polar, given the economic and military dominance of the USA.

Others have argued that BRICS does not represent an anti-imperialist bloc, but an anti-US hegemony bloc. They are not opposed to the predation inherent in international economic competition but are only opposed to US dominance of that predation.

This is in contrast to the ALBA bloc, a group of eleven Caribbean, Central and Southern American nations establishing an economic community. ALBA was envisioned by the then Venezuelan President Hugo Chavez as an alliance moving to escape the clutches of the global economic system. Chavez saw the expanding development of mutual trade, shared institutions, integration and a common currency as steps toward a community more and more removed from the rapacious international capitalist system.

### **1.7. What does the emergence of BRICS Represent - Does it represent an economic and ideological hegemonic Block?**

The structure of the global political economy is changing at a very fast pace, occasioned in part by the fact that the developing world has been gradually mobilising itself into a bloc constituted in the main by China, Asia, Africa and Latin American countries.

These countries have 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.

The BRICS countries are expected to contribute one third of the world's GDP increment this year alone and it had been projected that by this time their total economy will surpass America.

As at August 2015 (Brazil, Russia, India, China and South Africa) which together account for 30% of global land, 43% of global population and 21% of the world's Gross Domestic Product (GDP), 17.3% of global merchandise trade<sup>1</sup>, 12.7% of global commercial services<sup>2</sup> and 45% of world's Agriculture Production<sup>3</sup>.

The BRICS economies have been widely regarded as the engines of the global economic recovery, which underscores the changing role of these economies in the world. At the G20' meetings, the BRICS was influential in shaping macroeconomic policies in the aftermath of the recent financial crisis.

The BRICS countries 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.

The first thing that must not be ignored is that the global South is increasingly placing on the agenda the need for transformation of global institutions and multilateral bodies, including the UN itself, the WTO, IMF, World Bank, etc. This constitute the context within which the emergence of BRICS needs to be located

Secondly is that the emergence of BRICS and a desire to challenge the Brettonwood institutions takes place in the context of a call for the transformation of the UN system particularly with regard to the veto powers enjoyed by the major powers including the NATO forces. In the context where the leading centres of imperialism enjoy such hegemony in the international multilateral institutions such as the UN , it will not be impossible to combat the stranglehold by imperialist interests of the USA and Western world, in relation to their geopolitical, military and economic objectives.

Thirdly there are strategic aspects of the 7<sup>th</sup> BRICS Summit declaration which challenges the USA and the hegemony of imperialism directly. These included the formation of BIRCS Development Bank; call for universal adherence to principles and rules of international law in their interrelation and integrity, discarding the resort to "double standards" and avoiding placing interests of some countries above others; condemnation of unilateral military interventions and economic sanctions in violation of international law and universally recognized norms of international relations; condemnation of prolonged failure by the United States to ratify the IMF 2010 reform package, which continues to undermine the credibility, legitimacy and effectiveness of the IMF and a call that the handling of sovereign debt restructurings should be improved to the benefit of creditors and debtors alike.

This represents a block of countries poised to take on the imperialists powers.



### **1.8. What is the Policy orientation of the BRICS member Countries?**

The policy orientation of the BRICS member countries is marked by commitment to decisively shift away from the neo liberal paradigm . This include state-owned central banks, state banks that operate at the same level as ordinary commercial banks and they use trade and industrial policy instruments that would ordinarily be rejected out of hand here in South Africa. Although, like any other country, they claim to be concerned about inflation, this is not their overriding concern.

Their central banks subordinate inflation concerns to employment, industrial development and economic growth. In short, when it comes to policy tools, these countries embody almost everything that South Africa rejects. It must be noted that the ability to advance the type of alternative policies used in some BRICS countries is also a function of class struggle. Therefore the working class in South Africa needs a strategy to fight in pursuit of desired policy outcomes.

### **1.9. Developments in CUBA**

In 2011, Cuban authorities adopted bold new Guidelines (*Lineamientos*) to deal with Cuba's economic problems. Modified by public debate and adopted by Cuba's parliament, the Guidelines now have the force of law and are embodied in regulations.

#### **The challenges facing the CUBAN Revolution**

Through nationalizing virtually all productive property and regulating economic activity by centralized planning in place of the market, competition, exploitation, and the pursuit of profit, Cuban socialism has achieved monumental gains for working people, including economic growth, full employment, free health care and education, housing, nutrition, and a high cultural level.

CUBA has gone through the following phases of changes :

- 1. First Model, 1960-1970:** In the first period of the revolution, Cuba nationalized the big foreign companies, distributed land to the landless, developed a planning system, and coped with the U.S. blockade by developing trade with socialist countries. In this period, Cuba emphasized moral incentives over material incentives and set ambitious goals for rapid industrialization to be financed by the intensive production and export of sugar.
- 2. A Model Like Eastern Europe, 1970-1985:** In this period Cuba joined the CMEA (the Council for Mutual Economic Assistance, an organization of European socialist states designed to coordinate economic activities and develop economic, technical and scientific cooperation. In this period, Cuba developed its first Five-Year Plan that stressed the production of sugar and that placed more emphasis on material incentives in the pattern of the Eastern European socialist countries.

3. **Rectification, 1985-1990:** In this period, Cuba attempted to rectify the mistakes of uncritically applying Soviet economic recipes to the Cuban situation. Cuba abandoned some market mechanisms it had tried and enhanced economic centralization. It also tried to diversify the economy away from sugar by developing biotechnology, pharmaceuticals, tourism and nickel production.

4. **The Special Period, 1991-2010:** The collapse of the Soviet Union and Eastern Europe meant the sudden loss of over two-thirds of its exports and a drastic contraction of its whole economy. The economic crisis was exacerbated by the intensification of the U.S. blockade by means of the Torricelli Act (1992) and the Helms-Burton Act (1996). In response, Cuba devised a new model that enforced belt-tightening, conserved foreign exchange, turned state farms into co-ops, allowed limited private enterprise in the retail sector, allowed remittances from Cuban exiles, and stressed the rapid build-up of tourism. To ensure that the remittances and tourism would bring in desperately needed foreign exchange, Cuba instituted a dual currency system.

Understanding the nature and gravity of the problems faced by Cuba is an important component of making a political assessment of the Cuban reforms. The essence of opportunism as defined by Lenin is not in making compromises or concessions to the class enemy but in making *unnecessary* compromises and concessions.

As different from Gorbachev's perestroika and glasnost which involved the liquidation of the Communist Party of the Soviet Union, the handover of the media to anti-socialist forces, the unleashing of nationalist separatism, the surrender to U.S. imperialism and the wholesale privatizing and marketizing of the socialist economy.

The current reforms in CUBA are a response to very real problems that if unaddressed threaten the future of Cuban socialism. The short term goal is to eliminate the balance of payments deficit, enhance flows of external income, substitute domestic produce for imports, and increase economic efficiency, work motivation, and income. The long -term goal is to achieve food and energy self-sufficiency, the efficient use of human resources, a greater competitiveness and new forms of production.<sup>[4]</sup>

Most importantly, in adopting the *Cuban Communist Party Draft Economic and Social Policy Guidelines*, the Sixth Congress of the Communist Party of Cuba (PCC) affirmed that the government's commitment to socialism and to preserving the livelihood, security and standard of life of the Cuban people. In the PCC's words, the government will "continue preserving the achievements of the Revolution, such as access to medical attention, education, culture, sports, recreation, retirement pensions and social security for those who need it."

Also, of crucial importance, the formulation and implementation of the guidelines occurred and are occurring in a process that differed widely from what happened in the Soviet Union. The Cuban “updating” emerged from a highly democratic process and the mass participation rank and file Communists and workers.

In total 163,079 meetings occurred in which 8,913,838 people participated. These discussions modified or incorporated 68 percent of the original 291 guidelines, modified 181 others, and created 36 new guidelines. Discussion of the guidelines also occurred in the letter pages of *Granma*, radio phone-ins, internet blogs, and the trade unions. One observer noted: “A key point here is that the drafting of new employment law involves a process of consultation with the CTC (the Central Confederation of Trade Unions) so detailed and extensive that unions have a *de facto* veto.”

Because of this mass involvement, the Cuban people are united and confident about the direction of the updating. The question of whether Cuba is going back to capitalism is more prevalent outside Cuba than inside. No one with whom we spoke expressed the slightest fear that the updating would hurt the interests of workers or threaten the future of socialism.

The Cuban “updating” is a multifaceted and sweeping effort that involves 291 guidelines touching nearly every corner of economic life.

Some of the guidelines have to do with encouraging the cultivation of currently unused land and developing rural areas by giving unused state farmland in usufruct to those who can produce food for national consumption. Some of the guidelines have to do with a return to the socialist principle of distribution — “from each according to his ability, to each according to his work,”— that is to say, rewarding workers for their productivity, from which the Cubans had moved away during the Special Period.

Interventions include increasing productivity and efficiency, the responsibility for various national enterprises will devolve to the provinces and municipalities. These lower levels will acquire control over their own revenues and are expected to operate on the basis of financial profitability.

### **Reducing other state activities**

The state plans to reduce other activity including as many as a million or more jobs. The state will also eliminate workers’ cafeterias with subsidized meals or will transform them into commercial eateries. The state will limit number of months of eligibility and the size of unemployment benefits. The state also plans to eliminate the subsidized ration book for those who can afford to buy food. The idea is to do these changes in a gradual and

systematic way, so that those losing state jobs find employment in an invigorated private sector.

Though the reforms involve an expansion of private enterprise and thus capitalist relations of production, the expansion is highly regulated. According to one estimate, as of 2014, 450,000 Cubans work in the private sector in farms, cooperatives and small firms. As of December 2013, 78 percent of the workforce was in the public sector and 22 percent in the private sector. The goal of the updating is sixty percent in the public sector and forty percent in the private sector. The private and cooperative sector will embrace almost half of the workforce by 2015. In this process, the state will lease to private individuals such enterprises as in-home restaurants (*paladares*), bakeries, barber shops, beauty salons, watch, bike and auto repair shops. The state is raising the number of permissible customers for in-home restaurants from 12 to 50 and suspending taxes for a year for those *paladares* that employ up to 5 persons.

The Cubans are undertaking a course with certain risks and with no infallibly favorable chances, but they are doing so gradually and cautiously with their eyes wide open and with the entire population involved. It is a course that is contradictory, but necessary. They are doing so with the understanding that, as Raul Castro said, to do nothing risks falling into the abyss.

### **South African Experience**

In our country there is talk about radical economic transformation and yet there is no action which accept that some policies of the past 21 years have not worked for our country. In our country there is no sense of urgency seen in comrade Raul when he said “we either rectify things, or we run out of time to continue to skirt the abyss [and] we sink “.

#### **1.10. Understanding the role of China – Is China an Imperialist Force or is it pursuing Socialism based on Marxist – Leninist principles?**

This debate has been avoided for many years and it can no longer be ignored given both the role of China in the world, the fact that CHINA is South Africa’s leading trading partner and the emergence of BRICS in which South Africa is a member country and where CHINA plays a leading role. Let it be said that this debate is intended for initial reflection by the federation and may not be exhausted by this Congress. The Congress will have a choice to take definite decisions of the matter or set a process towards its conclusion.

There are two dominant views about China . The first one analyses China’ s economy and arrive at a conclusion that China is not different from other Imperialists countries. The second view uses the same Marxist- Leninist analysis and arrive at a conclusion that China is a advancing Communism based on the principles of Marxism – Leninism.

### **1.10.1. Is China a Capitalist State ?**

There is a view which consistently analysis CHINA to force a conclusion that China is a capitalist state and is part of imperialist forces. Part of this view includes the following concerns:

- a) China's tendency to import unprocessed raw minerals from BRICS partners.
- b) China, particularly from the 1980's and onwards, has linked its economy with the international capitalist market. It participates actively in the global capitalist allocation of roles as a massive 'factory' with a cheap labour force, with high rates of profits for those capitalists who have the ability to invest there.
- c) As a result of this change in direction, China has been embraced by other strong imperialist powers, above all by the USA, and also by Japan, the EU, due to its dependency on them as a global exporting power. It is an integral part of the international imperialist system. This relation of dependency and inter-dependency is expressed by the fact that China possesses American bonds.
- d) As long as China strengthens economically, so will its needs for raw materials and fuels increase. For this reason inter-imperialist competition over the control of the energy sources, in Central Asia, the Middle East, Africa, and Latin America is sharpening at global level. As Lenin wrote "The capitalists divide the world, not out of any particular malice, but because the degree of concentration which has been reached forces them to adopt this method in order to obtain profits. And they divide it "in proportion to capital", "in proportion to strength", because there cannot be any other method of division under commodity production and capitalism. But strength varies with the degree of economic and political development
- e) The competition for the share of the markets is particularly fierce. This is demonstrated by the effort from political-economical circles in the USA to push forward legislation which provides for sanctions against those countries which it considers that they artificially keep their currency undervalued, in order for their exports to have competitive prices, in this way taking control of markets and removing their competitors.
- f) China exports 50 thousand different types of products to 182 countries, while 80 of these countries have signed trade agreements and protocols of cooperation with it. The basic trading partners of China are the major capitalist countries (Japan, USA, EU countries), which account for 55% of its foreign trade transactions.
- g) In 2010 China acquired the second place globally (after the USA) in the list of billionaires per country (130), the fortunes of whom have increased by 222% within a year. It is also estimated that the 1,000 richest people in China increased their wealth within a year by 30%-from 439 billion dollars to 571 billion dollars.

- h) According to the estimates of the association of Chinese businessmen, as was shown on Chinese television: 8.5% of the 500 largest monopolies in the world are Chinese (43 companies). At this moment American monopolies have double the size of profits in comparison to the Chinese but the trend is for Chinese monopolies individually to be more profitable and to have a faster rate of accumulation than American ones.
- i) The official statistics also show that in the period from 2004 to 2010 the number of private companies in China increased by 81%, while today the number of private businesses in China has reached 3,596 millions. The profits of the 500 largest private corporations increased by 23.27% in 2009. At the same time these corporations operating alongside Chinese state monopolies have increased international competition. 117 of these companies participated in 481 investment plans abroad, where they invested 225, 27 million dollars.
- j) In total Chinese direct investments globally in 2009 came to 56, 53 billion dollars (5.1% of global investments), placing China in 5th place in the list of global investors. The rise of China's economic power prompted a series of international banks in June 2010 (such as HSBC, Deutsche Bank, Citigroup) to push businesses to use the Chinese Yuan instead of the Dollar for their transactions.
- k) At the same time, in September 2010 China increased its acquisition of American bonds by 3 billion dollars reaching 86.7 billion dollars and maintained its position, ahead of Japan, as the largest foreign holder US bonds. In addition, it signed an agreement with the International Monetary Fund (IMF) in order to buy bonds worth 50 billion dollars. Another noteworthy feature is China's desire to control many natural resources as possible, which are increasingly controlled by the Chinese corporations. Africa is at the centre of this activity. The following is particularly characteristic: In the 1990's Chinese trade in Africa as a whole was about 5-6 billion dollars, by 2003 this had increased to 18 billion dollars and in 2008 it reached 100 billion dollars.
- l) Today China has a significant economic presence in nearly all the African countries. In the copper belt of Zambia and the Democratic Republic of Congo (DRC), there exists the fastest growing Chinatown in the world. Sudan has become one of the main suppliers of oil to the Chinese market: 600,000 barrels of Sudanese oil are sent to China on a daily basis. A third of all China's imports come from Africa, with Angola, Equatorial Guinea and Sudan being the largest suppliers. In addition, Chad, Nigeria, Algeria and Gabon supply China with oil. In exchange for the access to the natural resources of the African countries China invests in road infrastructure and ports, in infrastructure necessary for the reproduction of labour power (school buildings, hospitals, housing), as well as in industrial infrastructure in these countries. Chinese companies are building roads in Angola and Mozambique as well as upgrading their ports and railways. Chinese

companies are also involved in many projects in Addis Abbaba, the capital of Ethiopia, and in Nairobi, Kenya.

- m) China is a member of the UN since its establishment and a permanent member of the Security Council. It has increased its economic contribution to the UN from 0.995% of the UN's budget in 2000 to 2.053% in 2006, while in 1988 it declared its availability to contribute to the UN's "peace-keeping forces". Since then it has taken part in dozens of UN "peace-keeping" missions (Liberia, Afghanistan, Kosovo, Haiti, Sudan, Lebanon etc.) and it maintains a "peace-keeping force" of over 6,000 troops[19;20]. The Defence Minister of China in a speech noted that China in total participated during 2010 in 24 peace-keeping missions, involving 10,000 soldiers, and that it is the most active of the permanent members of the Security Council in "peace-keeping missions".
- n) China together with Russia and the central Asian countries, formed in 2001 the "Shanghai Cooperation organization" (SCO), which although it carries out annually massive military exercises", is not considered to be a military "bloc" and chiefly promotes issues concerning the economic cooperation of countries in the region and its political security. This demonstrates the importance that China attaches to a region with massive natural wealth, such as Central Asia, which in the last 20 years has become a source of discord in the inter-imperialist rivalries.
- o) At the same time, China has been a member of the "Asia Pacific Economic Cooperation" (APEC) since 1991 which was founded in 1989 at the initiative of Australia and New Zealand. 21 countries participate, in APEC while in these countries live 40% of the world's population, 54% of the world's GDP and 44% of global trade is carried out.
- p) Finally, it has participated in the fora of the most advanced capitalist countries (at the G8 as an observer and the G20 as a full member), and at the same time without any specific organization having been formed it cooperates with the BRIC countries (Brazil, Russia, India, China), which seek their upgrading within the international correlation of forces. These countries closely coordinate their interventions in the G20, while at the same time they also try to coordinate their activity in the UN.
- q) It has been argued that when the role of China is compared to that of the USSR more questions about its Socialist orientation arise and the following argument has been advanced to this effect:
  - i. Over half the commercial transactions of the USSR were with other socialist countries of the council of mutual economic assistance. Almost a third of the USSR's transactions involved oil and natural gas, which it possessed in abundance while the turn towards increasing its exports and developing its relations with the most developed countries, occurred after the 1960's, guided

by the opportunist viewpoint of so-called "peaceful coexistence" and "peaceful competition."

- ii. Nevertheless, even then, the USSR never possessed 1/3 of the US's bonds nor did it export capital. And so it never occurred to anyone that the USSR could buy the port of Piraeus and the Triassic! Facts, which show the qualitative difference between China today and a socialist country, like the USSR.
- iii. Sometimes we hear from certain quarters, that in contrast with other imperialist powers, China with its investments in developing countries does not seek the plundering of their natural resources, but the creation of infrastructure (roads, buildings, facilities, hospitals, schools etc). The goal is, as the Chinese themselves claim, that these countries "improve the development of their infrastructure and promote business cooperation "
- iv. China implements special medical programmes in developing countries, programmes for the training of executives from these countries, for the reduction of the duties on the imports of the products of these countries into China, which absorbs 50.1% of all the imports from less developed countries to developed ones, and at the same time it provides low interest loans.

#### **1.10.2. Looking at China through the lens of Marxist – Leninist analysis**

Proletarian revolution has historically broken out in the countries where the chains of imperialism are the weakest. One of the uniting characteristics of these countries is backwards productive forces; underdeveloped because of decades of colonial and imperial subjugation. Far from the first instance of communists using markets to lay an industrial foundation for socialism, China's market socialism has its roots in the New Economic Policy (NEP) of the Bolsheviks.

Facing similar levels of underdevelopment and social unrest, the Bolsheviks implemented the NEP, which allowed small business owners and peasants to sell commodities on a limited market.

Designed and implemented by Lenin in 1921, the NEP was the successor to Trotsky's policy of war communism, which prioritized militarizing agricultural and industrial production to combat the reactionary White forces.

Because of their economically backward material conditions, peasants overwhelmingly resisted war communism, which resulted in food shortages for the Red Army. Correctly perceiving the importance of forging a strong alliance between the peasantry and the urban working class, Lenin crafted the NEP as a means of modernizing Russia's rural countryside through market mechanisms.



In a piece explaining the role of trade unions in the NEP, Lenin succinctly describes the essence of the concept of market socialism' when he said "the New Economic Policy introduces a number of important changes in the position of the proletariat and, consequently, in that of the trade unions. The great bulk of the means of production in industry and the transport system remains in the hands of the proletarian state.

This, together with the nationalization of the land, shows that the New Economic Policy does not change the nature of the workers' state, although it did substantially alter the methods and forms of socialist development for it permitted economic rivalry between socialism, which was being built, and capitalism, which was trying to revive by supplying the needs of the vast masses of the peasantry through the medium of the market.

Lenin acknowledged that the introduction of markets into the Soviet economy did nothing to fundamentally alter the proletarian character of the state. More provocatively, however, was his characterization of the Soviet economy as an "economic rivalry between socialism, which was being built, and capitalism.

According to Lenin, capitalist relations of production can exist within and compete with socialism without changing the class orientation of a proletarian state.

Lenin wrote that "Socialism is inconceivable without large-scale capitalist engineering based on the latest discoveries of modern science.

It is inconceivable without planned state organization which keeps tens of millions of people to the strictest observance of a unified standard in production and distribution. We Marxists have always spoken of this, and it is not worth while wasting two seconds talking to people who do not understand even this (anarchists and a good half of the Left Socialist-Revolutionaries)."

Chinese Market Socialism is based on an understanding that according to Marx, socialism is the first stage of communism and it covers a very long historical period in which we must practise the principle "to each according to his work" and combine the interests of the state, the collective and the individual, for only thus can we arouse people's enthusiasm for labour and develop socialist production. At the higher stage of communism, when the productive forces will be greatly developed and the principle "from each according to his ability, to each according to his needs" will be practiced, personal interests will be acknowledged still more and more personal needs will be satisfied.

Karl Marx's 1875 Critique of the Gotha Program describes the process of socialist construction in terms of 'higher' and 'lower' stages when he said "what we have to deal with here is a communist society, not as it has *developed* on its own foundations, but, on the contrary, just as it *emerges* from capitalist society; which is thus in every respect, economically, morally, and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges. Accordingly, the individual producer receives back from society — after the deductions have been made exactly what he gives to it.

But these defects are inevitable in the first phase of communist society as it is when it has just emerged after prolonged birth pangs from capitalist society.

Market socialism is therefore in accordance with Marxism-Leninism. Lenin's view is that markets and some capitalist relations of production do not fundamentally alter the proletarian class character of a socialist state. He believed that countries could build socialism through the use of markets as a tactic towards the attainment of Socialism.

### **1.10.3. Marxist-Leninists in the 21st century should rigorously study the successes of Chinese socialism**

Those countries that resisted the onslaught of counterrevolution after the fall of the Soviet Union demand rigorous study by Marxist-Leninists in the 21st century. Each of the five socialist countries pursued different paths of survival that offer lessons, but China has indisputably enjoyed the greatest success.

Rather than echoing the counterrevolutionary lies of Trotskyite and left-communist groups about China's lack of commitment to their abstract and utopian definitions of 'socialism', Marxist-Leninists should embrace China as a model of successful socialism whose economic power outstrips that of the greatest imperialist countries. At the core of these Trotskyite/left-communist falsehoods is a chronic pessimism about socialism that reflects the capitalistic cynicism towards proletarian revolution. China's socialist economy is thriving and more than 1/5 of the world's population was lifted out of poverty.

Of course, Marxist-Leninists know otherwise. China is a socialist country and is arguably the most economically successful in history. That realization carries tremendous magnitude and should push Marxist-Leninists to seriously study the model and the works of Deng Xiaoping. Even today, other socialist countries are experimenting with variations of China's model and see similar successes. If Deng's concept of market socialism is a correct policy for proletarian states facing severely underdeveloped productive forces, then revolutionaries must recognize him as a significant contributor to Marxism-Leninism.

As China ascends into building 'higher socialism', revolutionaries across the world should look East for inspiration as they struggle to throw off the chains of imperialism and actualize people's democracy.

#### **Recommendations:**

1. The fact of the matter is that the South-South agenda is crucial, but in its current manner, it is exclusively a state project and does not draw in the active participation of the majority of the people and their organisations. This is why we must always emphasise that only a consistently involved society will defend a popular agenda. There is no other way to transform the global reality than to forge powerful alliances

and partnerships with the rest of the dominated global south in order to confront the power of the rich and industrialised countries and the power of multinational companies. ALBA has demonstrated that reality, to some extent. The growing tendency to shy away from the fact that trade and multinational companies have become the most fierce and central weapons of neo-imperialism and must be engaged as sites of an anti-imperialist struggle disarms our engagement in this critical arena of our struggle. In this regard, we are called upon to link this with the issue above in order to create a common front against imperialism, particularly working with countries of the south who have proven to be determined to rid their countries of the corrupting tendencies of neo-liberal domination.

In this context we need to take forward the declaration of the Second BRICS Trade Union Forum which amongst others said the following :

The significance and concrete meaning of BRICS to workers under the current global conditions should be positioned as an alternative model of inclusive development that serves the interests of the majority in society.

In this regard, we emphasise in one voice the need for the effective and full participation of the working class in all institutions of BRICS. Only in that way will BRICS be different from existing multilateral institutions.

**1. On BRICS trade patterns and what they mean for working class solidarity today?  
Towards a just and fair world trade system**

We note that trade within the BRICS countries is centred mainly on commodities and very little on value-added goods. We believe that trade policies within the BRICS countries should aim at supporting industrialisation. The key objective should be the realisation of mutually beneficial trade amongst BRICS countries and amongst all countries of the world to address the imbalances between the north and the south. In addition, BRICS countries should work with other developing countries towards the transformation of the world trade system.

**2. On the development of alternative sources of Development Finance - Our perspective on the BRICS Development Bank**

We acknowledge that we are in an era marked by the rise of the financialisation of the economy, which has resulted in the domination of finance capital in many developing countries and the rest of the world.

We cautiously welcome the proposal of a BRICS development bank. We strongly believe that

this bank should take a different form from the World Bank and the International Monetary Fund (IMF). It should primarily developmental in character.

We envisage the BRICS development Bank solely owned by BRICS, publicly funded, taking all decisions on consensus, promoting trade based on own currencies of its member countries, with a core focus on infrastructure and development in consultation and approval by all stakeholders, inclusive of the community and trade unions.

BRICS trade unions should be represented on the BRICS bank's highest decision-making body and its various task teams.

### **3. Building working class power for workers' rights and an end to inequalities, unemployment and poverty for decent work and inclusive development**

We recognise that without a coordinated approach within the trade unions, workers' interests may not be taken forward.

In defending and advancing workers rights, we commit to ensuring that all multinational companies comply with core labour standards, and do not exploit unequal conditions between countries, driving down wages and eroding workers rights by playing workers against one another.

In addition, we recognise the importance of national and global tripartite dialogue structures, and pledge to defend these as a key site for advancing the decent work agenda and ensuring the protection of workers' rights, particularly those of vulnerable and migrant workers.

We will struggle to ensure that the BRICS agenda does not isolate regional and continental counterparts, and will work to advance the interests of the developing world in general.

### **4. On the position and role of BRICS trade unions in shaping the agenda in the interest of social justice and people-centered development**

The emergence of BRICS presents the potential to organise it into a progressive force around which various struggles can be coordinated. However, we continue to call for a further decisive shift in the current political and economic outlook of BRICS.

#### **1.11. Developments in Africa**

*"Faced with the militant peoples of the ex-colonial territories in Asia, Africa, the Caribbean and Latin America, imperialism simply switches tactics. Without a qualm it dispenses with its flags, and even with certain of its more hated*

*expatriate officials. This means, so it claims, that it is 'giving' independence to its former subjects, to be followed by 'aid' for their development. Under cover of such phrases, however, it devises innumerable ways to accomplish objectives formerly achieved by naked colonialism. It is this sum total of these modern attempts to perpetuate colonialism while at the same time talking about 'freedom,' which has come to be known as neo-colonialism- Kwame Nkrumah- 1965*

As COSATU we recognize our critical role in the struggle for a world free from poverty, hunger, unemployment, underdevelopment, inequalities and diseases, hence its unflinching commitment to the cause of workers and the poor throughout the world.

#### **1.11.1. Dominant trends in the current conjecture which impact on Africa**

In his seminal writings, "Imperialism, the Highest Stage of Capitalism, Lenin succinctly captured the moment when he said, *"In order for capitalism to generate greater profits than the home market can yield, the merging of banks and industrial cartels produces finance capitalism—the exportation and investment of capital to countries with underdeveloped economies. In turn, such financial behaviour leads to the division of the world among monopolist business companies and the great powers. Moreover, in the course of colonizing undeveloped countries, Business and Government eventually will engage in geopolitical conflict over the economic exploitation of large portions of the geographic world and its populaces. Therefore, imperialism is the highest (advanced) stage of capitalism, requiring monopolies (of labour and natural-resource exploitation) and the exportation of finance capital (rather than goods) to sustain colonialism, which is an integral function of said economic model"*.

We live in a period of the deepest and most enduring crisis of the capitalist system, whose limited solutions only serves to further the crisis. It is a period of sharp extremes; massive poverty on the one hand, and massive concentration and centralisation of wealth on the other.

Developments in the configuration of power with regard to Africa has included the following:

1. Africa has become a centre of attraction in many ways and this comes with both advances and setbacks for the working class and the poor. The dominant narrative on the continent and beyond is Africa rising. But as revolutionaries we must, whilst welcoming advances recorded in various areas, be critical of what it really means to workers and the poor. Are the impressive growth rates and figures confirmed by the reality on the ground and the conditions of life for the majority of the African people?

2. According to Simon Freemantle’s article on trade Patterns underline Africa’s shifting role, “a recent study by the Economist Group, for instance, 65% of the 217 global companies surveyed across 45 countries outlined plans to expand into Africa as either an “immediate priority” or “priority” within the next decade, just 2% believed the continent to be “irrelevant” to their future plan”
3. It is indicated in various reports that, the following sectors in the SADC-SACU product share in 1997 saw a growth; Non-metallic manufacturing, Tobacco and tobacco manufactures, Textile yarn and fabrics, Textile fibers, Articles of apparel and clothing, Cork and wood, Metaliferous ores and scrap, Sugar and sugar preparations, furniture and parts thereof, crude fertilisers.
4. For SADC trade with the world, the most important exports are; Non-ferrous metals, Non-metallic manufacturing, Tobacco and tobacco manufacture, Articles of apparel and clothing, Sugar and related products, Coffee, tea, cocoa and spices. Fish and related products, Textile yarn and fabrics, as well as Textile fibers.
5. It is interesting to note that the SADC products that saw an increase in their relative share in exports to SACU also saw an increase in their exports to developed countries – with exception of textiles. Textiles also saw an increase in SACU imports but a decline in developed market imports. However, although there has been some growth in overall SACU imports from SADC between 1990 and 1997, its share has remained low relative to total exports.
6. The biggest question is, what do all these mean to the shifting balance of power in the region, continent and throughout the world?

#### **1.11.2. Africa, industrialization and the 2063 vision – whereto for our great continent?**

Colonialism assigned Africa the role of being the supplier of raw materials; cheap labour and cheap market access for the advanced economies, hence the reproduction of underdevelopment and poverty resulting from the unjust and unfair trade terms.

This structure is still the same in the broader political economy architecture of our continent and can never be changed unless a radical, decisive and progressive framework of development is adopted. This framework, in our view, should be based on an anti-neo-liberal, pro-industrialisation and democratic economic trajectory.

The African continent is the world’s least developed region. In the same vein, it is the world’s most naturally endowed region with abundant and massive natural resource reserves that the rest of the world so desperately scavenges for. But what is the problem?

A joint report by the African Development Bank and the Global Financial Integrity Institute of Washington, which was launched at the 48<sup>th</sup> AFDB Annual meetings in Marrakech, Morocco reveals that the African continent has been a long term net creditor to the rest of the world, when it said, “Africa suffered between US\$ 597 billion and US\$1.4 trillion in net outflows between 1980 and 2009 after adjusting net recorded transfers for illicit financial outflows. More than one trillion dollars flowed illicitly out of Africa in the past 30 years, dwarfing capital inflows, and stifling economic development”, noted GFI Chief Economist Dev Kar.

Further a 10-member High Level Panel in Illicit Cash Flows in was set up by the African Union (AU) and the United Nations Economic Commission for Africa (UNECA) last year. It is reported that in its working visit to Mozambique as the seventh country on the Panel’s itinerary after the DRC, Kenya, Tunisia, Liberia, Nigeria and Zambia, it made the following observation, “when it comes to illicit cash flows, government corruption and criminal activities are dwarfed by more sophisticated means of draining money; commercial tax evasion and it does not have to be illegal strictly speaking.

Common problem African countries such as Mozambique face is that their judicial systems are not sophisticated enough to host successful prosecutions of tax offenders”. “When the matter ends up in court, the judicial system gets overwhelmed by the expertise brought to court by the private company”.

Mozambique with its porous, near 3,000km coastline, has long been a regional hub of both licit and illicit trade. During a 30-year period from 1970 to 2008 it lost as much as \$25bn in illicit cash flows, according to UNECA.

Illicit cash flows out of Africa add up to double what the continent receives in aid money annually. Mozambique, where the majority of citizens barely survive on under \$1 a day, remains one of the world’s poorest countries, and desperately needs every cent.

Tackling money laundering is nothing compared to Mozambique’s new challenge: reaping the benefits of its natural resources boom. Up until just a few years ago Mozambique was dependent on foreign donors for more than half its budget, but is already beginning to wean itself off this aid amid a flurry of investment riding on its coal, gas and other mineral deposits.

The country is sitting on what is estimated to be the world’s fifth-largest coal deposits and more than 180-trillion cubic feet of natural gas. Attention is now shifting to whether Mozambique has the political will, or capacity, to ensure it benefits from its bonanza.

We are also called upon to treat with the utmost urgency the crisis of the environment, in particular its impact on humanity and food security. The climate change issue has gone beyond being a mere technical matter for narrow power wrangling between elites and technocrats to a global disaster threatening the very existence of humanity itself.

“*Grain, Fish, Money: Financing Africa’s Green and Blue Revolution,*” a report recently released by the Africa Progress Panel says, “Stop the plunder of natural resources” and reveals that “rich

nations hand over US\$ 27 billion a year in cheap fuel, insurance, etc to those who are depleting the oceans”.

It goes on to say, “Africa is the epicentre of a struggle between sustainable management and unsustainable ‘mining’ of marine fisheries, therefore, international voluntary rules for global fishing are a ‘coordinated catastrophe’ as stated by the Global Ocean Commission.

The same report calls on Africa’s political leaders to take concrete measures to reduce inequality by investing in agriculture. It also demands international action to end what it describes as the plunder of Africa’s timber and fisheries.

“After more than a decade of growth, there is plenty to celebrate,” comments Annan in a statement. “But it is time to ask why so much growth has done so little to lift people out of poverty – and why so much of Africa’s resource wealth is squandered through corrupt practices and unscrupulous investment activities.

“Africa is a continent of great wealth so why is Africa’s share of global malnutrition and child deaths rising so fast? The answer is that inequality is weakening the link between economic growth and improvements in well-being,” he says. The critical issue is the unjust structural design of the global political economy and how it reproduces the conditions of perpetual servitude and suffering on the continent.

Julius Nyerere, former President of Tanzania at a meeting in Washington was asked by a World Bank expert, “Why have you failed?” His response was brief, yet strikingly profound, when he said, *“the British left us a country with 85% illiterates, two engineers and 12 doctors. When I left office in 1985, we had 9% illiterates and thousands engineers and doctors. At that point our income per capita was twice what it is today – after structural adjustment programme. We now have one third less children in our schools and public health and social services are in ruins. During those years, Tanzania had done everything that the World Bank and the IMF wanted. So I ask you; why have you failed”.*

If Africa is serious about a new and just world order in which the “rise of Africa” shall have real meaning, the following are key:

- a) Building a mass based organisation which will lead mass uprisings and mobilisation of the people to rise against those who loot or assist the looting of our natural endowment and abundant resources, particularly the corrupt elites who sustain and service these corrupt systems. The people of Burkina Faso, Tunisia and Egypt have made attempts in that direction, but their gains have been eroded by poor leadership, weak organisation and lack of ideological and political grounding in real alternatives to the crisis of the dominant system



- b) Popular rejection of imperialism and all forms of neo-colonialism, including their structures that reinforce the notion of neo-liberalism in economic models of development
- c) Development of organic and local models of re-organising society to serve the interests of the people and change the power relations and structures of society, fundamentally
- d) Development of a progressive intelligentsia loyally serving the just cause of the people and not embedded in the co-opted structural designs of the existing order and its failures. It must be an intelligentsia that refuses to be used against its own people, whatever the personal and material gains at hand. It must forge common cause and even lead the popular struggles of the people for a new and just society.

COSATU has consistently been calling for a developmental approach to job creation, which should result in industrialisation through the beneficiation of our mineral and other natural resources as a continent.

We identified infrastructure development as a key anchor of that agenda in order to create jobs, build and develop new industries, sharpen our skills and research capacity, as well as enhance the all-round development of our country and continent.

COSATU was amongst the first organisation in South Africa to call for a Reconstruction and Development Programme (RDP) of Southern Africa in view of the destruction by apartheid and colonial underdevelopment of the region.

Towards that end, we have actively participated in various activities, programmes, meetings and sessions dealing with these issues and related macro-economic issues facing our continent.

We recently participated in two sessions of the PIDA (Programme for Infrastructure Development in Africa);

1. One in Kenya, Nairobi where trade unions, academics and civil society activists gathered to acquaint themselves with the PIDA issues and deal with the implications for workers and the development of our continent
2. Follow up Experts meeting held in Johannesburg, 25<sup>th</sup>-26<sup>th</sup> August, 2014 to clarify the kind of projects involved and how do they contribute to development on the continent.

The following are the main observations from both instances;

1. PIDA doesn't seem to fit in with the overall objective of industrialisation. It seems to be mainly about projects that reinforce the dominant paradigm of extraction of primary commodities/natural resources to the developed world, by making the infrastructure good for the efficient extraction processes. The Projects don't seem to have an industrialisation component or intention.
2. The Steering Committee of the Programme is made up of external players who have in the past demonstrated interests that sometimes undermine the development goals of

the continent, such as the EU which is listed as a member of the Steering Committee, yet most of its members and the collective bloc have been involved in the massive extraction and plunder of our natural resources

3. The BWG (Business Working Group) which is another frontline driver of the programme is largely made up of Transnational corporations with little or no African ownership, but largely foreign interests with no passion or proven commitment to the development of the continent or its people
4. Civil society and communities, particularly those in affected areas and generally throughout the continent are excluded and not a partner or even consulted in these projects. This create elitism and prospects for more corruption
5. Corruption – these projects lack transparency, accountability and clear guidelines on their governance from procurement to final implementation and beyond
6. Over-emphasis on Private-Public partnerships (PPPs), which have failed in several parts of the developing world. These have become Public risks for Private Profits (PPPs) and another avenue for the looting of natural resources of the public by private interests
7. No evidence that these promote job creation and workers rights, which are largely abused with impunity as oversight and governance fails the people
8. Environmental destruction results from these projects in many instances, which affect communities and burdens future generations
9. Local content and ownership/control of these projects is very limited, if any, in most of them. This makes development to be held hostage by foreign, largely commercial interests than the development imperatives of the local people
10. Competition fragments the possibilities of regional integration as countries out-smart each other in the race for downward variation of standards and enforcement of guidelines and rules

COSATU welcome all genuine efforts towards the effective development of our continent. In particular, we welcome the Africa Vision 2063 Programme, which is an attempt to respond to the critical challenges the continent is facing.

It is made up of 7 aspirations, these being;

1. A Prosperous Africa based on inclusive growth and sustainable development
2. An integrated continent, politically united based on the ideals of Pan Africanism
3. An Africa of Good governance, democracy, Respect for human rights, justice and the rule of law
4. A Peaceful and secure Africa
5. An Africa with a strong cultural identity, values and ethics
6. An Africa where development is people-driven, relying particularly on the potential of women and youth

## 7. Africa as a strong and influential Global player and partner

The most critical points for debate and taking forward of the Programme are centred around the following;

- a) The recognition that within the African continent there is need to tap into its own wealth to finance its development agendas
- b) Emphasis on industrialisation, infrastructure development, agriculture and agro-processing, and ICT improvement, as well as education and health
- c) Significant efforts have been made to map the untapped alternative sources of financing from within Africa. These show that significant resources could be raised from within Africa, enough to cover about 70% of the development financing needs.
- d) The most key issues are related directly to financing, accessibility, feasibility, costs and other such cases, which need to be addressed. However, there is a need to take a step back and refocus the discussion around financing from a 'demand-driven' to a 'supply-driven' debate around the questions of incentives, political buy-in and ownership to be able to turn 'potential' sources into 'accessible' sources.

The critical issue remains the relationship between the people and the leadership that developed and must drive it. The question of legitimacy and ownership is central to the success and effectiveness of such programmes. There are serious structural and substantive issues within the programme itself, including some problematic assumptions it is making, but it remains a critical space to take forward or launch the new momentum towards the effective economic and political development of our continent.

This momentum is very critical as we can already see regional economic bodies developing programmes to take forward these goals in their own regions. For instance, SADC has developed an Industrialisation strategy, 2015-2063, which targets certain sectors and engines of growth and development through beneficiation of raw materials and natural resources.

The continent must confront certain issues directly if it is to transform itself and change the direction and course of development its currently pursuing, particularly to free ourselves from the stranglehold of imperialism and its forces.

## **1.12. The Domestic Balance of Forces**

As we were advancing the National Democratic Revolution, there are certain developments which have taken place as we gather in this 12<sup>th</sup> National Congress. These developments have come to define the political landscape of the current period, but by no means the totality of the balance of forces. Amongst these include the passing on of comrade Nelson Mandela and Ruth Mompati; the release of the Farlam Commission's Report on the Marikana Tragedy ; Alliance Summit and the NDP; Expulsion of the former ANCYL leaders and the formation of a splinter organisation – EFF; Emergence of New Opposition Parties and a tendency to target COSATU; General Elections ; “No Vote” Campaign ; the reburial of JB Marks and Moses Kotane

### **1.12.1. Key Economic advances made in the National Democratic Revolution since the last Congress**

Since the last Congress, the key economic developments can be summarized as follows:

#### **a) Industrialization**

The 2008/2009 global economic recession damaged the South African economy and workers, leading to the call for a new growth trajectory that will transform the structure of the economy, create more jobs and combat high levels of income inequality.

In 2010, the ANC Government adopted the New Growth Path as the economic strategy for development, and the NGP was again reinforced in the economic transformation resolutions of the Mangaung Conference of the ANC. The NGP calls for action against private-sector monopolies, a trade policy that supports industrialization , a stronger industrial policy, jobs drivers that can create new decent work opportunities, skills development and infrastructure as the centre-piece of growing the economy in a more inclusive way.

In the past three years, there have been successes and setbacks. The successes include a rise in overall employment and a strong localization programme in government. The regulations on state procurement have been changed to give Cabinet the powers through its Ministers to direct that the state may only buy certain products from local manufacturers.

These regulations bind all organs of state and the list of products that have been designated include the following bus bodies for the busses used in the major cities; Clothing and textile products; Components for infrastructure projects

More than 600 buses have been assembled locally and more than 34 000 taxis have already been produced locally after they were initially imported from other countries.

The actions by the Economic Development Ministry to put controls on the export of scrap metal were a welcome step to support beneficiation. However, scrap merchants have taken government to court on three occasions.

COSATU fully backs this decisive action by government and as a Federation; we call for a ban on scrap metal exports if these measures do not work.

Skills development policies are now more directed at artisanal skills, which fits in with organised labour's calls for stronger vocational training.

However, there have also been setbacks which are mainly as a result of new pressures in the global economy caused by the unresolved crisis of capitalism. These setbacks have included a sharp drop in the price and demand for minerals that we export, such as iron-ore and platinum. This has caused job losses and the potential for even bigger jobs losses in the coming months, what COSATU has warned can become a jobs bloodbath.

The mining and steel industries have been hard hit but other sectors are beginning to feel the pain. In the mining sector, the NUM has led efforts to curb the tendency of large mining houses to retrench at will and it has called for a moratorium on retrenchments as part of a wider package to bring stability to the sector.

We need to speed up efforts to beneficiate more of our minerals locally but also to find new markets for minerals. We have engaged government strongly on this issue for the past three years and note progress with catalytic converters in the auto industry and with pilot plants in the fuel-cell sector, using platinum as an input to produce electricity. However, unless we have a mandatory price-discount on minerals used by local manufacturers, we will be taking baby-steps for a long time. It is necessary for bolder actions to be taken.

The steel industry has been hit by a flood of cheap imports, mainly from China. Government has increased the tariff duties on three products and additional tariff increases are currently being considered by ITAC. In addition, the Industrial Development Corporation has supported Highveld Steel and Scaw Metals through a difficult time.

Affiliates need to assess the impact of imports on their sectors as part of engaging government on further actions and to ensure we are not simply reactive.

The DTI has supported a number of sectors with industrial incentives (including through competitiveness programmes) and the Economic Development Department has turned around the IDC so that it has become more effective in supporting new investment and job creation. In the past three years, IDC interventions have helped create or save more than 50 000 jobs.

The changes to the structure of the economy are critical to achieving our overall economic objectives. One area of vigorous action by government has been in competition policy, though some court judgements are cause for concern.

The competition action against Wal-Mart by government and SACCAWU, supported by other COSATU affiliates, has led to the courts reinstating 503 workers and ordering the

company to open a Fund with an investment of R240 million to support local and small business production.

The actions against cartels have also helped to expose deep levels of collusion by the private sector to the detriment of the public. In spite of media attacks on government, we should recognise the gains we are making as a society when powerful corporations are held to account and price-fixing is challenged. It was disappointing to note that the Competition Appeal Court did not uphold the action against SASOL for abusing its market dominance on poly-propylene. Congress should call for stronger laws against abuse of market dominance and must also ensure the Competition Act applies where large retailers abuse their market power to put unfair pressure on local manufacturers or banks discriminate against local manufacturers. This will ensure that we become a manufacturing-led economy instead of a consumption-led economy.

## **b) Infrastructural Development**

COSATU's campaign to ensure that infrastructure development becomes a key driver of inclusive growth and job creation, has met with substantial success. Government launched the Presidential Infrastructure Coordinating Commission in 2011 and announced key elements of the National Infrastructure Plan in early 2012. Since then, actual spending on infrastructure has been roughly R250 billion a year, or R1 billion per working day. Large numbers of workers have been employed in key projects such as Medupe and Kusile power-station builds.

More than 200 000 construction workers are now employed on the key projects coordinated by the PICC. Over the past three years, a number of strikes took place at infrastructure sites, in part due to poor management of worker grievances by project managers and fears about employment security by workers when projects begin to reach completion. An example is Medupe where the first unit that supplies power has now been completed and some workers laid off.

The Infrastructure Development Act was passed by parliament, providing a legal framework for the work of the PICC. This legislation was supported in parliament by COSATU.

One of the positive developments has been the firm action by government against the cartels and price-fixing of large companies in the construction industry. A record fine was imposed and we need to monitor that companies do not go back to their collusive actions.

A number of areas of infrastructure development are critical to working class communities, ranging from water and energy, public transport and health and education facilities to basic economic infrastructure that supports job creation and decent work.

We have seen more than 150 schools built recently to replace mud schools, providing a quality education infrastructure to learners in rural areas. Health facilities have been built but we remain very concerned at the weak maintenance of clinics and hospitals.

While access to water and sanitation as well as electricity has expanded greatly, something COSATU should celebrate because we fought for it since the days of the RDP, we must also point to weaknesses, maladministration and corruption at local government level in a number of municipalities. These must be addressed with urgency.

We need to strengthen our shopfloor organisation and membership within key projects and also call for a broader partnership that addresses retraining of workers, better planning for the end of contracts and new work opportunities that must be part of project initial planning, in order to create greater stability in the infrastructure build-programme and respond to the real grievances of workers.

Other areas where there has been progress include:

- Number of jobs at time of last COSATU Congress versus number of jobs now
- IPAP
- Agriculture and APAP
- Changes to MPRDA
- Theft of cable from infrastructure projects
- IDC investment levels
- Small business development

Jobs and GDP: Comparing June 2012 to June 2015

	<b>June 2012</b>	<b>June 2015</b>	<b>Total Percentage Change</b>	<b>Annual Average Change</b>
Total Jobs	14 330 000	15 657 000	9.3%	<b>3.0%</b>
Jobs for Women	6 237 000	6 858 000	10.0%	<b>3.2%</b>
Jobs for Youth (15-34)	5 819 000	6 286 000	8.0%	<b>2.6%</b>
Real GDP Change (Constant 2010 R Million)	2 898 241	3 040 592	4.9%	<b>1.6%</b>
Nominal GDP	813 259	991 142	21.9%	<b>6.8%</b>

Change (Current R Million), Quarter to Quarter				
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New Jobs from June 2012 to June 2015

Total New Jobs	1.3 Million
New Jobs for Women	621 000
New Jobs for Youth (15-34)	467 000

### 1.12.2. Challenges still facing the National Democratic Revolution

Whilst it is uncontested that there has been massive delivery of basic services such as water, electricity, houses, and that the working class today enjoys the rights that come with liberal-bourgeois democracy, it is also true that the economic foundations that support such progress remains deeply faulty. The crisis of Colonialism continues to demonstrate that the socio-economic conditions of the working class have worsened. The country remains confronted with the challenges of persistent and radicalised poverty, unemployment and extreme inequalities. The Country remains trapped into a colonial and apartheid economic and social policy paradigm in that despite the policy positions of the movement to change the colonial economic trajectory but still redistribution of income has not occurred; the means of production and power remain concentrated in white capitalist hands; Control of the economy is still in white hands ; the structure of the economy remains mineral-dependent and is now finance-led: the strategic sectors of the economy remains highly monopolised and foreign owned .

The increase in the rate of exploitation of workers during the past 21 years, as shown by the declining labour share, has meant that capital shifted value primarily from workers to the working class in general and more resources to itself to boost profitability.

The rise in the rate of profit combined with the decrease in corporate taxes and the relaxation of exchange controls, have meant that capital managed to handsomely benefit in the past 21 years.

The race-gap still remains, life-expectancy remains low albeit with some levels of improvements, the quality of education for the working class has deteriorated, the quality of housing is very low, even access to basic services has been limited by neo-liberalism, which led to cut-offs and the working poor have increased in numbers. It is for this reason that we



call for a more nuanced assessment of service delivery, to locate service delivery within the context of existing class relations of production.

### **1.12.3. What are the reasons which explain the challenges still confronting the NDR?**

The reasons which have delayed progress in making a breakthrough in addressing the fundamental class, race and gender contradictions which informs our struggle include the following three dominant factors amongst others:

#### **1.12.3.1. The first one is accepting the balance of forces as a given and making problematic policy choices without agreement with other forces of the liberation movement**

We have always accepted that Social transformation in South Africa is occurring in a hostile international environment. The dominance of capitalism and neo-liberal economic orthodoxy has imposed constraints on the ability of the democratic state to forge ahead.

But these constraints are not as rigid as capital makes out. Big business invariably exaggerates the global constraints in order to blackmail the state into supporting its policies.

As a result of this contestation there has for a long time never been a common understanding amongst the forces of liberation regarding the international balance of forces and how these should influence the content, pace and direction of our transition.

Where there has been a common understanding about the international situation it did not translate into a common strategy. Instead there has been a dominant view which argued that we should accept the situation as a given and play along. The other view was that we should interact with the international balance of forces and seek to find ways on how we can tilt them in our favour.

For an example there appear to have been progress within the alliance regarding a common understanding on the international balance of forces expressed in the recent 2015 Alliance Summit which amongst others expressed a shared understanding that “Global relations prevail in a uni-polar world. In this environment one powerful country seeks to dictate to everyone what political, economic and social system they should operate under. Aligned to this worldview is the strategy for regime change, where democratically elected governments that are independent and maintain their national sovereignty are overthrown. There is, however, a positive development where multi-polar relations are also emerging and being strengthened. The global South and developing countries, having recognised the threat posed by the uni-polar outlook and regime change strategy, are also organising themselves into progressive global formations. It is critical that our country makes a choice as to where it belongs in this space. Such a determination should be to defend the revolution and to serve the people of South Africa as a whole. However, our national sovereignty cannot be relinquished willy-nilly”.

But this shared understanding on the international balance of forces has however not translated to making policy choices in line with the shared understanding. For an example in spite of South Africa being in BRICS but this has not translated to deriving lessons from the BRICS countries.

The reality so far indicates a different path chosen by South Africa, in that whilst South Africa is part of the BRIC countries but this has not changed our country's macro-economic policy in line with the progressive elements of BRICS countries. As part of analyzing how BRIC countries has influenced our policy choices, below we reflect on the lessons from BRICS.

#### **1.12. What has been the result of our government's policy choices?**

The most glaring effect of the policy choices made in the last 21 years is that in almost all the key aspects of development, the policies of the past 21 years have failed to deliver tangible material progress for the working class.

The working class has been severely marginalized from effectively participating and staking its claim, in the economy in a number of ways: through the scourge of unemployment, an extremely flexible labour market in the form of casualisation, outsourcing and the use of labour brokers, the commodification of basic needs and the suppression of workers' wages below productivity gains.

All these factors are meant to break the power of the working class, increase the power of capital and to boost the profitability of the capitalist system as the basis to support economic growth.

The structure of economic growth has deepened the structural instability associated with mineral-dependent economies in a finance-led world. In almost all spheres of society power still rests with the white minority, which co-opts the black elite, in pursuance of the interests of capital and imperialism.

This is has been compounded by the fact that there remains a **Highly Monopolized and foreign owned Economy**, the project of Building a Developmental State continues to be constrained, lack of cadres with the required ideological clarity and capacity in the construction of a developmental state ; lack of transformation of the Judiciary , the Security of the country - is compromised and the private security industry has more capacity than the state.

**The Second reason leading to the constraints in the qualitative advance of the NDR has been demobilization and lack of coherency amongst the motive forces as represented by the key leading mass formation in the country which include the ANC as a leader of the National liberation movement.**

The second reason which have led to the our revolution not progressing at an expected pace and in some cases making unnecessary detours and making qualitative compromises has been the

demobilization and lack of coherency amongst the motive forces as represented by the key leading mass formation in the country which include the ANC as a leader of the National liberation movement.

This include the current weak state of the alliance , the challenges in the ANC as a leader of the Alliance , demobilization of the MDM formations and the challenges in COSATU . The SACP being one of the relative stable formations but with challenges of resources to decisively take forward the struggle socialism.

## **Recommendations :**

### **On Strengthening the Alliance**

a) **Strengthening the Alliance through Back to Basics campaign:** There must be a realization that functionality and non functionality of the Alliance is a reflection of COSATU's strength on the ground and our ability to tilt the balance of forces inside the ANC. Evidence of this was seen immediately when we came from Polokwane. The functioning of the Alliance was at its peak and as soon as we dropped our guards and relied on individual's will power we started to experience a decline. These were signs of the changing balance of forces inside the ANC against the working class. This means that we need to mount campaigns which assert our presence and power on the ground based on sharper working class demands. Part of this will include demands about the implementation of progressive ANC policies which are constrained by indecision and accommodation of class forces which have no working class interests. It will also include having COSATU unions intensifying sectoral struggles and having COSATU and the SACP running joint campaigns such as the financial sector campaign and defining the content of radical economic transformation in our terms

The functionality of the Alliance has never been about the number of boardroom meetings but has always been people driven from below through struggles and campaigns waged by our organizations collectively and individually. We met in the trenches pursuing the same objectives and not in boardrooms. That is what we mean by the Alliance being organic. The centrality of the Alliance will be won through asserting the centrality of each individual alliance partner based on their role in the NDR, not just theoretically but in practice. We must be unapologetic about our demands and getting government implement progressive policies

b) **Building the Alliance through dynamic link between State power and mass power:** Linked to the above programme , there should be a conscious programme to have the structures of the alliance at all levels to connect with government programme including parliamentary debates . The mistake we have made in the past has been to only have

our structures only connect with manifesto development processes and not also focus on the post election processes of developing government programmes and the funding of such manifesto commitments . For an example Alliance Structures all levels including ANC structures must make proposals and advance popular demands about what should be contained in the state of the nation address. This also include popularizing preparations on inputs towards such meetings as ANC NEC Makgotlas , after elections whose responsibility is to translate manifesto commitments to government programmes. We can derive some lessons from CUBA regarding how to link state power with mass power on the ground.

**c) Practice the Mass Line : We must force all our Alliance formations to move beyond having a mass perspective into living by the discipline of the mass line. Comrade Mao Tse Tung explain the mass line** as the “primary method of revolutionary leadership of the masses, which is employed by the most conscious and best organized section of the masses, the proletarian party. It is a reiterative method, applied over and over again, which step by step advances the interests of the masses, and in particular their central interest within bourgeois society, namely, advancing towards proletarian revolution. Each iteration may be viewed as a three step process: 1) gathering the diverse ideas of the masses; 2) processing or concentrating these ideas from the perspective of revolutionary Marxism, in light of the long-term, ultimate interests of the masses (which the masses themselves may sometimes only dimly perceive), and in light of a scientific analysis of the objective situation; and 3) returning these concentrated ideas to the masses in the form of a political line which will actually advance the mass struggle toward revolution. Because the mass line starts with the diverse ideas of the masses, and returns the concentrated ideas to the masses, it is also known as the method of “from the masses, to the masses”.

He explains the **mass perspective** is a “point of view regarding the masses which recognizes: 1) That the masses are the makers of history, and that revolution can only be made by the masses themselves; 2) That the masses must come to see through their own experience and struggle that revolution is necessary; and 3) That the proletarian party must join up with the masses in their existing struggles, bring revolutionary consciousness into these struggles, and lead them in a way which brings the masses ever closer to revolution. A mass perspective is based on the fundamental Marxist notion that a revolution must be made by a revolutionary people, that a revolutionary people must develop from a non-revolutionary people, and that the people change from the one to the other through their own revolutionizing practice.”

The *relation* between the mass line and a mass perspective is simply that only those with a mass perspective will see much need or use for the mass line. It is possible to have some notion of the mass line technique, and yet fail to give it any real attention

because of a weak mass perspective. On the other hand, it is also possible to have a mass perspective and still be more or less ignorant of the great Marxist theory of the mass line.

- d) **Forcing Accountability of deployees on the implementation of progressive policies:** it is not enough to only participate in the deployment of comrades but the process of delivery agreements should be popularize and be discussed by our structures including allowing proposals. All structures should workshop these as a basis of keeping deployees accountable at all levels. China provides a good example from which we can draw lessons regarding people driven accountability.
- e) **Building the Alliance through political Education which are linked to campaigns on the ground:** We need to drive aggressive joint COSATU and SACP and ANC political education programmes which are linked to our campaigns on the ground. The fact of the matter is that the Alliance cannot function by its own but requires cadres schooled by experience in the mass political work and who understand the theory of our revolution. Currently there is lack of such cadres in our ranks.
- f) **Building the Alliance through keeping dynamic contact with COSATU deployees:** This Congress may have to consider the development of COSATU Deployment Policy . This will many include the establishment of a council of COSATU deployees which may be convened as part of extended CECs which are convened on a quarterly basis. This must not be for purely COSATU deployees but it should be a platform that is used to act a sounding board for COSATU on various strategic policy and political issues.

## The Struggle for Socialism

COSATU's task of pursuing the struggle must be founded on an understanding that , it is first and foremost a trade union federation in alliance with a political party of Socialism – the SACP. Therefore the task of intensifying the struggle for socialism has to be executed under the leadership of the SACP. This task shall include ensuring support for the SACP and not use such support to blackmail or patronize the SACP .But such a task must be undertaken based on common ideological conviction that socialism is possible. The task shall include undertaking programmes and campaigns which are consciously aimed at winning the confidence and support of the masses based on a properly articulated socialist programme. This include openly calling for the reconfiguration of the Alliance based on mass mobilization in all areas affecting the working class and other sections of the society as part of the process of asserting the leading role of the working class.

## **Recommendations**

### **The struggle for socialism**

There is a need for COSATU to strengthen and popularize the SACP 's proposals firstly on ensuring a more radical phase of our transition and in particular link this to strengthening and popularizing the SACP's proposals on the South African Road to Socialism perspective . This must proceed from COSATU existing policy which is accurately captured in the 6<sup>th</sup> National Congress that on amongst said :

1. Political transformation in our country has presented us with new challenges and new points of struggle.
2. One of the challenges that faces COSATU (and the SACP) presently, is to concretely translate its commitment to socialism into a practical and understandable programme.
3. While this is clearly no easy task, our commitment to socialism remains unwavering.
4. The main strategic opponent of the working class has always been, and still is, domestic and international monopoly capital.
5. In South Africa, we are faced with a democratic state where economic power is still largely in the hands of a white minority.
6. The political arrangement that presently exists is a compromise born out of complex forces involved in the transition to democracy and not necessarily the ideal outcome for the working class and the disadvantaged.
7. As a federation our ultimate objective is the transfer of political and economic power to the working class.
8. In line with this objective, COSATU re-affirms its commitment to the struggle for a socialist society.

9. COSATU must develop strategies that engage both the state and capital for the improvement of the material conditions of the majority, while developing a long-term vision of a socialist society.
  
10. Our policies, in the short, medium to long-term, must be underpinned by our ideological vision of a socialist society and the creation of a socialist state.
  
11. What this means is that COSATU has the responsibility to begin building socialism now. This must be based on an understanding that COSATU accept and acknowledge that no trade union movement can on its own fight and win socialism. The struggle for socialism should be led by a working class political party. The federation needs to fight for building blocks towards socialism. Such building blocks should include:
  1. Engaging in relentless criticism of capitalism
  
  2. Strengthening working class organisations
  
  3. Rolling back the domination of the market in the meeting of the basic needs i.e. housing, transport and other social wage related issues
  
  4. Fighting for a powerful role of the public sector and the state in the economy
  
  5. Experimenting with non-capitalist forms of ownership and notions of social capital (communally owned companies)
  
  6. Introducing new socialist forms of work organisation and management which advance worker control
  
  7. Developing working class hegemony on issues such as sport, culture values, the media and politics

8. Emphasising the concept of equality and ending all forms of discrimination and oppression, particularly those affecting women
  9. Demanding that the state plays a developmental role
  10. Reducing higher echelons of bureaucracy
  11. Creating a more responsive state administration
  12. Moving beyond traditional notions of capitalist democracy and introducing participatory forms of democracy
  13. Building accountability of government institutions and of retirement fund investors
12. For the above measures to be real building blocks towards socialism, they need to be located and form part of a broader socialist programme.
13. Such a programme needs to outline in detail:
1. The nature and type of socialism that we are fighting for
  2. The strategy and tactics to be used to realise our socialist objective
  3. Short and long-term demands of the working class to be used in the march toward socialism
  4. The social forces that will play a crucial role



14. While COSATU must play a role in the formulation of such a programme, such a task is not only for the federation, but a mission for all socialist forces ( under the leadership of the SACP).
15. As recognition of the role that must be played by socialist forces outside of the Federation, COSATU ( working with the SACP ) should develop links with credible socialist organisations nationally and internationally in order to challenge capital on a global front.
16. We also need to increase the depth of our relationship with the SACP as a political party with a socialist vision.
17. In deepening the relationship with the SACP, COSATU should provide resources that will help strengthen the SACP and transform it into a formidable force capable of meeting the challenges and leading the struggle for socialism.
18. COSATU should further establish party units in workplaces and strengthen the SACP branches where they are weak and help and build new ones where they do not exist.
19. With the SACP and the ANC, COSATU should develop mass media instruments (papers, programmes etc.) which give an alternative view of society, international issues and provide an outlet for socialist intellectual debate
20. As a way of developing a socialist programme, COSATU should internally educate and mobilise workers and the working class broadly about the importance of their role and contribution in realising socialism. Within COSATU and its affiliates this could take the form of ( reviving and strengthening ) Socialist Forums at local level.
21. Once a socialist programme has been developed, COSATU and SACP must discuss and jointly develop a broader programme for taking us to socialism. Such a programme could include joint programmes of action, continuous discussion, education fora and move towards a conference of the left with the ANC as one of the partners.

### **On strengthening the SACP to lead the struggle for Socialism**

1. Implement the resolution of providing material support for the SACP aimed at ensuring self sustainability of the party
2. Convene quarterly meetings of the Socialist Commission to develop practical popular programmes to advance the struggle for socialism
3. Every COSATU CEC and SACP CC must have a standing item regarding progress on the implementation of the SACP 's South African Road to Socialism
4. Convene joint organizing meetings inclusive of COSATU affiliates General Secretaries , Provincial Secretaries . This must come up with a clear implementation plan for joint campaigns
5. Agree on a schedule for joint National Political school which must happen at least twice a year.

#### **1.12. Brief assessment on the state of Youth Formations**

The state of the progressive youth movement has been occasioned by the very challenges facing the movement as a whole. It has occurred under conditions in which the whole movement was confronted with the new challenges which emerged after assuming political office.

But we have recently witnessed actions taken up by university students based on a campaign demanding free education up to university level.

It followed from the students protests in Sweden in the same year with students protesting against what they called the privatisation of higher education

The campaign for free education in South Africa whose tempo had increased in the recent past is similar to the resistance against the austerity programme of Greece's Syriza government. Very recently, ferry workers, transport workers, teachers and students protested against attacks on their working conditions and living standards, cuts in education and other services being imposed by Syriza and the European Union (EU) on behalf of the financial elite

The recent students protests in South Africa is not different with happened in Chile this year where students had taken to the streets against the Chilean government to deliver on the promise to finally carry out a major reform of the education system imposed under Pinochet's military junta. The dictatorship abolished the right to free higher education, imposing tuitions that now amount to thousands of dollars in a country where half the

population earns less than 450 US dollar a month. It also encouraged the development of private universities to exploit education as a source of profit.

At the centre of the struggle for Free Education in South Africa is the fact that our country's policy trajectory is still encored on the neo-liberal policy paradigm whose basic tenets include trade liberalization, Financial liberalization, Labour market deregulation, Limited role of the state, Fiscal austerity, Tight monetary policy , Central bank independence.

These policies have rendered our democratic government to remain cheer leaders to monopoly capital as it keeps the economic power of the colonial ruling intact.

The neo liberal policies had a direct impact on derailing the attainment not only of Free Education in South Africa but also the implementation of many other progressive policies such as the National Health insurance , the comprehensive social security etc.

### **1.13. Assessing other strategic aspects of the COSATU 2015 Political Programme**

Other aspects of the 2015 Plan which was intended to be used as a means of tilting the balance of power in favor of the working class included the following :

#### **1.25.1. Ideological Contestation and Political Education**

Amongst the programmes we undertook in this regard included the establishment of Chris Hanu Bridgades ; Mass Education Programme; Building Educator and Worker Capacity; Engaging Institutions of Higher Learning to Offer Trade Unionists Short courses on Political Economy, Development Studies, Sociology, Philosophy, Labour Law etc.

#### **1.25.2. Strengthening social dialogue and in that context empowering NEDLAC**

We have continued to make a positive impact at NEDLAC in various chambers. We have been able to work with other Federations to drive a NEDLAC programme which included strengthening of NEDLAC institutional capacity.

We a sit and influence various the policy direction of various NEDLAC boards such as the Bid Specification Committee ; CCMA Governing Body; Commission Employment Equity (CEE); Disposals Committee; Employment Conditions Commission (ECC); Essential Service Council (ESC); National Skills Authority Board (NSA); Occupational Health And Safety Advisory Board (OHS); Productivity South Africa Board; Property Sector Charter Council (PSCC); Proudly South African Board; Quality Council For Trades And Occupations (QCTO); Financial Sector Charter Council; Rules Board Committee ; SEZ Advisory Board; Unemployment Insurance Fund Board (UIF). We are also represented in various SETAS.

The biggest challenge with NEDLAC work has been that the conduct of some government ministers has undermined NEDLAC especially where they refuse to respect NEDLAC constitution and abdicate their responsibility as political heads and instead sent junior functionaries to debate with our leaders

The other challenge has been that our affiliates have outsourced NEDLAC work to staff members. This include instances where we negotiated section 77 notices and leaders deployed to lead in various areas of the section 77 simply did not turn up in a meeting.

### **1.25.3. Defending and building the public sector to ensure that the state drives transformation**

Our work of building the public sector have in the main been taken up through our programme focusing on building public revolutionary public service ethos which put people first , prioritises resources for workers and ensure undoubted commitment to work . This culminated to the signing of the Public service delivery agreement between public sector unions and the Department of Public Services and Administration. More work still needs to be done in this front including instilling a sense of duty to the nation in defense of our revolutionary gains to public servants and ensuring the filling of vacancies and making resources available for public servants to do their work.

We have however not been able to clamp down on bureaucrats and ministers who refuse to implement progressive policies and instead chose to misinterpret policies and implement it in a manner that does not benefit the working class.

This Congress must discuss this matter and decide how we can heighten the campaign to ensure that progressive policies are implemented.

### **1.25.4. Developing our capacity to influence policy and legislative processes at national, provincial; local and sectoral levels combined with mechanism to monitor**

We have worked closely with various ministers and this has included inviting them to our constitutional meetings and working closely with them. We have been continuously auditing implementation of various policies and various reports have been tabled in various constitutional meetings

We have been part of making submissions to various policy development processes and below is a list of key bills, acts and regulations that COSATU has engaged with at NEDLAC, Parliament and directly with Government since 2012. It does not include all bills, acts and regulations, but rather the key ones that COSATU sought to advance the interests of workers on. Bills, acts and regulations often take years to move from draft proposals to being signed into law and thus many of the timeframes have not been concluded.

### **1.25. Elections**

Our 2015 Plan said that our general approach to elections entails that for each elections we will have a balance sheet based on our vision of what was achieved, what still needs to be done and setbacks. On that basis we will develop a framework for what should constitute an electoral platform. This analysis will be used to contribute towards the development of Election Manifestos, establishing election teams for mobilisation of voters during the entire election campaign and Mobilising financial resources to implement our election plan.

We have continued to conduct an assessment of our democratic government in every election and as we approached the 2014, 7<sup>th</sup> May general elections we issued a booklet as we always do in every election year on “why workers should vote ANC” based on the assessment of government including the content of the election manifest in which we participating to draft

In summary the booklet on why workers should vote the ANC reflected on amongst others the fact that in a survey conducted by the federation it showed that more than two thirds of COSATU members said they would vote for the ANC. Reasons cited included its policies, governance and its efforts to achieve equality for Africans. The survey also showed that over 70% of COSATU members said COSATU should stay in the Alliance.

Over and above this , was the fact that there was tangible evidence of the work done by the ANC over the years. This on amongst others included the legislative framework which has allowed for more protection of workers’ rights. This include the country’s constitution which sets a framework that guarantees workers rights. This have rise the progressive Labour Relations Act , the Basic Conditions of Employment Act, Employment Equity Act; Skills Development Act; Occupational Health and Safety Act; Mine Health and Safety Act.

In the recent past there had been the strengthening of the legislation to protect the rights of workers in the vulnerable sectors such as Domestic Workers; Hospitality sector; Contract cleaning ; Civil engineering sector ; Private security sector ;Taxi sector ; Wholesale and retail sector Farm Workers , the automotive sector etc

### **1.27.1. Assessment of the 2014 general Elections**

Firstly it is worth noting that South Africa’s fifth general elections in May 2014 concluded the country’s second decade of democracy. Although the African National Congress (ANC) was returned to power with a reduced majority as compared to previous victories, it still holds eight of the country’s nine provinces and the opposition parties pose little threat to its hold on political power in the medium term. The steady decline in electoral participation since 1994 may erode the legitimacy that is the lifeblood of democratic institutions and ultimately weaken the overall quality of South Africa’s democracy. The statistics on voter turnout since 1994 are analysed below:

- Overall decline in support for the ANC and the rise of the stay away vote, e.g.

- In 1994, there was a turnout of 86% of the eligible voting population;
- This has gradually declined to 72% in 1999;
- 58% in 2004;
- 60% in 2009; and
- 57% in 2014.

The total turnout of registered voters in the 2014 elections was 73%. This represents a decline of 4% on the last two elections' turnouts of 77%. When turnout is examined as a proportion of the eligible voting-age population turnout over 20 years, the figures confirm a decline in participation from 86% in 1994 to 72% in 1999 and 58% in 2004. Only in 2009 was there a slight rise to 60%, but this was again followed by a drop to 57% in the 2014 elections as shown on the figure above. It appears that there are an increasing number of eligible South African voters who do not cast a vote.

However it should be noted that ANC drop in votes is not the result of opposition parties gaining support, but a strong message to the ANC that the electorate are unhappy and the ANC's next step should be focused on its preparations for the upcoming local government elections in order to ensure that ensure victory in all provinces because 2016 poses high elections risks if nothing is done.

### **1.27.2. Towards 2016 Local Government Elections**

All Alliance partners need to unequivocally recommit themselves to joint political work and programmes. The opting and secondments of alliance leaders to strategic government positions comes at the background of solidifying relations and influencing pro-worker policies and must not be confused with losing the grip on being the vanguard of the working class as some would want to believe. The alliance must remain resolute as it is pertinent to have voices from within the decision making processes of government rather than being reduced to cheerleaders as others thought the alliance will become.

COSATU considers the debate on the relevance of the alliance as not being fragmented as the alliance is united by a common purpose through the implementation of the National Democratic Revolution. This common objective continues to be the strategic political and ideological foundation of the tripartite alliance. Others have sought to assume that the alliance relations are based on sentiments and the unwillingness to disagree on the shape and nature of our development; this must be strongly refuted through programmes and strong working class based campaigns.

As part of the contestation for the soul of the movement and jealous to defend the progressive and working class bias of the ANC, we continue to call on all members, shop stewards and leaders to join the ANC in masse. Many organised workers have joined the

ANC since then, and COSATU members form a significant component of ANC membership. As a result of the principle to swell the ranks of the ANC all leaders of the federation at levels are urged to become members of the ANC and join ranks of the movement.

Swelling the ranks of the ANC and to defend the National Democratic Revolution is still relevant against the backdrop of those who want to defeat and reverse the gains of democracy thereby undermining worker freedom both in private and through policies that will manifest tendencies of apartheid.

### **Recommendations**

- There is a lie circulating that the ANC lost the elections. Media has gone out to pursue a particular agenda and that tends to frustrate the public. COSATU admits that there was indeed a decrease especially in Gauteng particularly due to e-tolls. However the analyses by the media that the ANC lost the elections are misleading and opportunistic. We have a responsibility to give meaning to the 2014 victory of the ANC without shying away from the existing weakness but we should refuse to follow self defeating analyses imposed by the opposition and the media
- Part of the task which we need to undertake is to ensure that the Alliance as a whole is guided by the outcomes of the Alliance Summits, the organisational renewal document of the ANC and we should aggressively call for the recommendations of the Nkosazana Dlamini report as agreed in the Alliance Summit and in the ANC – NEC Lekgotla.
- We should continue to prepare properly for our participation in the drafting of the manifesto. This must include having affiliates leaders who can be available full time for this task. But we should make the ANC and all alliance partners understand that it is useless to participate in a joint process of drafting the manifesto if our proposals will be treated as secondary. It even more useless to have our view wins the day into the manifesto and not have the progressive elements of the manifesto translated into government programme. In some instances even when it is government programme some in government are allowed to ignore policy and programme without any consequences. The fact of the matter is that power conceded nothing without struggle.
- We should launch a clear campaign of ensuring that the ANC led government implements progressive policies which always become a uniting electoral platform for the alliance which is contained in the manifesto.
- As much as the ANC's victory is acknowledged, COSATU must also be able to critique itself and evaluate where it went wrong in campaigning and ensuring maximum support for the ANC. This can be done by looking into challenges such as inadequate service delivery in our communities and also assessing if the federation did its optimal best to ensure that the ANC wins the elections with the majority.

- Measures are to be put in place in order to increase votes in all provinces for the next coming local elections and moving forward.
- COSATU needs to engage with its affiliates to develop the program for the upcoming local elections. This may include identification of hotspots in order to direct or put an emphasis on programmes where there is dire need for intervention.
- COSATU to encourage the ANC to continue aggressively taking government to the people, to render services and also respond to the promises made.
- All our organisations including the ANC must function on the basis of a mass line which is to *“take the ideas of the masses (scattered and unsystematic ideas) and concentrate them (through study turn them into concentrated and systematic ideas), then go to the masses and propagate and explain these ideas until the masses embrace them as their own, hold fast to them and translate them into action, and test the correctness of these ideas in such action . . . And so on, and over and over again in an endless spiral, with the ideas becoming more correct, more vital and richer each time.”*

The incoherency and demobilization of the democratic forces have not only led to the opening an electoral space for the opposition but has open the liberation movement up to attacks by the emerging Anti- Majoritarian grouping who have waged a relentless offensive against all components of the liberation movement.

### **1.28. Corruption as a societal wide challenge**

Corruption has emerged as one of the challenges which have undermined the gains of our struggle and it is one of those burning of our times which have been used against the liberation movement particularly during the election period.

#### **What is COSATU’s understanding of Corruption?**

At our 09<sup>th</sup> and 10<sup>th</sup> Congresses we outlined in detail our concerns at the rate at which looting of public purse was continuing unabated. We were shocked but not surprised when the former Minister of Finance, the former Auditor General and Head of the Forfeiture Unit publicly stated that we were losing 5% of our infrastructure budget or between R25 – R30 billion in every financial year to tender fraud and corruption. In both congresses we responded to this by adopting policy measurers and agreed that we must step up a campaign to fight against this cancer spreading through our body politic. We welcomed that corruption and crime was made part of the five priorities of the last and this current administration. But society as a whole is engulfed with high levels of corruption. Our understanding of corruption was captured in a media statement issued by COSATU and the SACP which said that “the fight against corruption is not just an ethical or law and order matter, it has also to be understood as a struggle to roll back the profit-maximising, dog-eats-dog, possessive individualism of the capitalist system. (COSATU, SACP: 2014)



The Deputy General Secretary of the SACP comrade Jeremy Cronin in 2012 wrote an article titled “The unholy trinity – the roots of corruption in our society” said among others that “the idea that politicians and the state are, more or less by definition, corrupt is liable to undermine our determination to use state power (along with social activism) to deal decisively with corruption. It also helps to obscure the fact that where corruption occurs in the public sector there is, invariably, a private sector corrupter, a Glenn Agliotti or a Brett Kebble.

For every black property tycoon working in collusion with senior public servants to lease buildings at hugely inflated prices to government there is typically a big bank. The bank might well not literally be breaking the law, but its own senior staff involved in the lease will know exactly what is going on. They will quietly earn inflated bonuses for bringing in business, while the bank chairman publicly condemns the corruption of the new “extraordinary breed of politicians.”

He continued and argued that ...there is a failure to recognize that the established white bourgeoisie did not stand idly by in the face of the new, post-1994 political reality. They continued to pursue the agenda of late-apartheid, namely to build a relatively substantial “buffer” black middle strata. This was already the agenda of big capital in the early 1990s negotiations period, for instance.

By the mid-1990s, a key strategy for engineering “social distance” and for consolidating a buffer black elite stratum was the policy of “black economic empowerment”. This amounted to a social pact between elements within the new political elite and established big capital. From the side of established big capital it represented in many respects a re-run of how mining and banking capital had once accommodated itself to the 1948 Afrikaner nationalist political victory.

The first wave of BEE advancements were not necessarily all corrupt (although many questions still surround key early BEE-related moves – notably the arms deal). But the canonization of “BEE” as a central programme of government brought into play a dangerous nexus between political office, personal enrichment, and established capital

He then concluded that ... unless we grasp the triadic nexus, this unholy trinity, we will not begin to understand the systemic roots of corruption in our society. Nor will we be able to develop an effective multi-pronged counter-strategy

The struggle against corruption and the material conditions that foster it has, therefore, to be a struggle for a much more egalitarian society. We have literally to abolish, amongst many things, the social distance engraved in our persisting apartheid spatial patterns through the accelerated

planning and implementation of mixed-used, mixed-income settlement patterns. But this means taking head-on the vested interests of the established capitalist class (the value of their residential properties, for instance), and the venal interests of a comprador elite that has been promoted as a buffer against serious transformation. (J. Cronin: 2012).

Therefore, there must be recognition of the fact that in our country's corruption is marked by a dynamic crosspollination between public sector led development which relies on the skills and capacity from the private sector. Evidence of corruption in the public sector mirrors the corresponding levels of corruption in the private sector. The two are just different sides of the same coin and both must be fought with equal vigour!

### **1.28.1. Corruption in our movement and in Society**

Over the years there has emerged within the components of the liberation movement a grouping which uses the policy and political space provided by our organisations to advance their own selfish interests.

The class character of this grouping can be summarised as comprador bourgeoisie which is made up of two segments: a) that segment of the bourgeoisie that is allied to monopoly capital and imperialism and b) that segment that accumulates on the basis of "corruption". For the first segment, its mode of accumulation is based on dealings that ensure that the interests of monopoly capital are protected and extended. Inter-imperialist rivalries over the spoils of the country are bound to find expression in the bickering, discord and cat-fights within the comprador bourgeoisie inside and outside our movement. It is in this context that, if the movement is to maintain its unity and clarity of purpose and policy, this element of the bourgeoisie must be carefully isolated from the ranks of the movement.

The effect of the comprador element is also to mask the true nature of the enemy. Since it has dealings with monopoly capital and imperialism, its approach is to blunt our movement's understanding of the enemy, and to divert attention to issues that are either peripheral, or issues that are "effects" of the underlying class relations. The comprador bourgeoisie seeks to replace the domestic white capitalist class, or to squeeze itself in the alliance of white monopoly capital and imperialism, and thereby become part of the exploiters.

In this way, it will consistently attempt to discourage the advocacy of the need to pursue the NDR in the direction of social emancipation and it will ensure that there is continuous postponement of measures that tackle property relations in a revolutionary way.

The second segment of the comprador bourgeoisie which is what has become dominant in our trade unions is those that accumulate on the basis of what is ordinarily called corruption, which is nothing but capital accumulation outside the parameters of bourgeois legality.

This segment is not necessarily linked to white-monopoly capital and imperialism. Elements of it consistently seek accommodation in the monopoly capital alliance, and they consistently fail to

find a place on the dinner-table of monopoly capital. At one point, it adopts the positions of the non comprador bourgeoisie, in another instance, it positions itself against imperialism. In this segment too, internal bickering, discord, and rivalries over the dregs of spoils that are left by monopoly-capitalism, particularly the spoils arising from tax revenue and state-debt. This includes the spoils derived from an improper relationship with union's service providers and their abuse of access to union's investment's resources.

The features of the comprador bourgeoisie are as follows: a) it has dealings with imperialism and white-monopoly capital, b) it plays the leading but covert role in advocating neo-liberalism, c) in some instances, and its accumulation strategy involves what is ordinarily called "corruption". A dispassionate concrete analysis of the representatives of the comprador bourgeoisie cannot be delayed any longer. Just as much as we know who our heroes and heroines are, it is easy to know who these representatives of monopoly capital are.

There are contradictions between these two segments of the comprador bourgeoisie. There are contradictions within these segments and between them. The main cause of the contradictions between the "corrupt" comprador and the "non-corrupt" comprador lies in the struggle for space in the dinner table of the ruling class and imperialism. This inter-comprador contradiction inevitably spills over into the movement and now extended to the trade union movement and presents itself as factional fights and bickering over positions of leadership. Unless the working class and the rest of the motive forces stamp their authority, our movement will continuously suffer from incoherence and discord, and will lose sight of who the strategic enemy of the revolution is.

At our 9<sup>th</sup> and 10<sup>th</sup> Congresses, we outlined in detail our concerns at the rate at which the looting of the public purse was continuing unabated. We were shocked but not surprised when the former Minister of Finance, the former Auditor General and Head of the Forfeiture Unit publicly stated that we were losing 5% of our infrastructure budget or between R25 – R30 billion in every financial year to tender fraud and corruption. In both congresses we responded to this by adopting policy measurers and agreed that we must step up a campaign to fight against this cancer spreading through our body politic. We welcomed that corruption and crime was made part of the five priorities of the last and this current administration.

This is the essence of what is at the centre of the challenges confronting COSATU affiliates.

A similar tendency has found its way and connections in the labour movement. This manifests itself in factional fights for leadership positions used to build relations with captains of industry and pursue a BEE-type business unionism on the basis of workers' collective power. Part of this link with control over worker funds, totalling multi-millions in subscriptions and agency shop fees, pension and provident funds, medical aid schemes, sick pay funds, union investment companies, etc., as well as service providers such as financial services administrators and providers, banks, property developers and administrators, all other services that have to do with

money in unions, and the corrupt use of procurement of other goods and services as it happens between certain corrupt elements in the public and private sector.

All these are used as a resource base to dispense patronage and advance personal interests, particularly private appropriation and opulent lifestyles while exploiting the language of the masses to fight the movement.

These find practical expression on the following experiences:

- a. It is the intersection between union work and money. it includes use of resources from investment companies and service providers to impose preferred leaders in the unions including imposing certain policies to protect specific financial interests for individuals inside the unions – corruption
- b. The second element linked to this is how those union leaders who have been put into positions of trust regarding the investment companies and union monies have become corrupted by their access to the power of deciding about union monies. This weakness of leaders being attracted to money more than their trade union work has been exploited by service providers who promise kick backs to individual leaders on the basis of securing contracts in the unions.
- c. The use of money to influence outcomes has not only been used by outside business to our unions but a new tendency has emerged characterised by an abuse of self sufficiency. This is where those unions with money bankroll dispense patronage in the form of money to other unions with a purpose of remote controlling them to support their views and support their programmes even if such programmes do not serve the interests of those unions.
- d. That is how business unionism expresses itself in the trade unions. There are even cases where trade union leaders become silent business partners in different business ventures and in many of the cases get represented by their partners and or relatives. It's called preparing for soft landing in the case where a leader loses a position of leadership and cannot go back to employment as an ordinary worker
- e. This also includes undermining of good governance which includes undermining of procurement policies by people positioning themselves to access resources of the organisation for their selfish interests.

It is when the core trade union work of providing service to members gets treated as a second priority in favour of activities which creates possibilities of accumulation such as leaders and organisers making deals with employers for future promotion at work which comes with better perks at the expense of advancing workers demands.

It is when members get to support one union leader on the basis of patronage which comes with such benefits as access to trade union cars , lap tops , getting favours for international trips ,

access to exclusive and discriminatory training opportunities in which one section of shop stewards is in favour for international trips and training over others .

In all these cases the core trade union work gets compromised because a leader cannot mobilise for a strike against employers who are also his or her business partners or a shop steward compromises the case of a worker because he or she has been promised a promotion post.

The challenges in the federation have for quite some time made it impossible for the leadership to decisively intervene to protect the image of the COSATU. More worryingly, COSATU is getting divided even around the need to battle against corruption within its ranks and society.

#### Recommendations

1. The starting point is accept that the very foundation upon which the capitalist system is built is corruption and therefore any fight against corruption which is divorced from contesting and destroying the capitalist system will not go too far to totally eradicating corruption.
2. In the context where we fight corruption under conditions of an inherently corrupt capitalist system , the best way is to make sure that those know and found to be corrupt are arrested and or removed from the organisations they serve and the positions they occupy .
3. We must use the existing state institutions whose mandate is to fight corruption and we must consistently test and stretch their limit and force them to act swiftly and to act decisively
4. All affiliates must drive anti – corruption campaigns in their workplaces
5. We must mount a joint alliance Anti- Corruption campaign which must target both the private and the public sectors with equal vigour.

#### **Conclusion**

One German Physicist Albert Einstein once said that “insanity is doing the same thing over and over again and expecting different results.

Therefore the way out is to intensify the struggle for Socialism and that our call for a reconfigured should not be for its own sake but should be aimed at radicalizing the NDR as a direct route to socialism.