

Conference on ANC Constitutional Guidelines

# Towards a planned economy

In a talk delivered at the JODAC Conference on the Constitutional Guidelines, \*ALEC ERWIN, NUMSA National Education Officer, argues that a planned economy is the only way out of the current economic crisis. The working class must organise now to make that goal possible.

This section of the conference dealing as it does with the economy and the trade unions, is crucially about the working class. Certainly in the approach I take to the economy and the problems of transition, I will be starting from its implications for the working class. In doing that I am not in any way suggesting that the working class and its organisations are not a part of the mass democratic movement. In fact, in the absence of working class organisations, the mass democratic movement cannot successfully take on a mass nature. And without a mass nature there is certainly for the working class a real danger that the economy and future planning of the economy

will not be in the hands of the working class.

I think an analysis of political economy is absolutely crucial for the working class. There are three very central reasons why a political analysis of the economy is critical and essential.

The first reason is that it is only that analysis that will allow the working class to see the extent to which material and social progress can be made that will benefit the working class. We have to understand what the prospects are for employment and what the prospects are for wage levels. I think it's clear that those two factors are the very key material basis

\* Edited version of a transcript of the talk. The conference, organised by the Johannesburg Democratic Action Committee, was held in Johannesburg on 19 March 1989.

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An analysis of the political economy provides a link between the present situation and the transition to the future. I would suggest that there is some difference in emphasis if one starts with an analysis of the political economy as opposed to the starting point which is often taken - that of starting with the need to remove apartheid and then addressing economic issues afterwards.

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## The South African economy - strengths and weaknesses

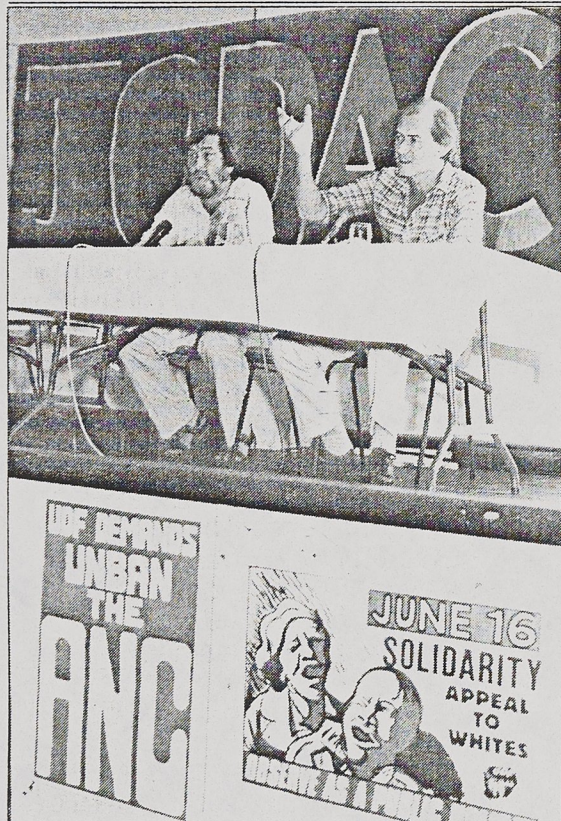
What I want to do very quickly is to first try and describe the economy and then to look at the nature of the present economic and political crisis.

Let me start with an unusual starting point and that is the strengths of this economy.

I am not necessarily listing the strengths in order of importance, but one is certainly the massive abundance of natural resources. The mineral wealth of this economy is truly staggering.

The industrial base of this economy is also very large. It's an important industrial base where certain basic products that are required for economic activity are being produced in South Africa. Steel, basic chemicals and heavy equipment for industry is being produced in South Africa.

Production of these goods provides an important industrial base. South Africa also has a well developed infrastructure linked to that industrial base. It has a reasonable road and rail network and for an economy this size, a very good communications network. However, all of these strengths are by no means permanent. One of the great tragedies of the present situation is that each one of those strengths is being rapidly eroded by the present economic crisis. The monopoly corporations are literally raping the country of its mineral resources. The industrial base is declining rapidly in that there has been no new fixed investment in this economy for the last 6 or 7 years. And the infrastructure linked to production is degenerating as government sells it off to private companies. We need to be very conscious of this process. The apartheid era developed these basic



Erwin: economy must be planned

Photo: Cedric Nunn/Afrapix

of the well-being of not only society as a whole, but the working class in particular.

I think the second reason why we need a very clear analysis of the political economy is precisely to decide to what extent the State has the capacity to reform. And to what extent it has the material capacity to repress. I think that the reform-repression balance has to be understood in the context of the political economy which limits the options open to the

State.

And finally, I think that any discussion of alliances has to be based on a clear analysis of the political economy.

If we are going to talk about alliances, if we are going to talk about the balance of forces at a future point of time, such discussions are abstract and misleading if you are not also going to address what are the material and political factors that govern the different elements in that alliance. In particular if we are going to talk about alliances involving the working class, the first issue to understand is what is the working class? Where is it located in the particular society, what are its divisions, what are the problems that confront it organisationally, materially, socially and

politically? If we are to talk about alliances without first understanding what the working class is, it seems to me we are not actually talking about alliances at all.

If we are talking of alliances with other strata or classes in society we have to have some understanding of the forces at work on those strata and classes. If we are not looking at the forces at work, the broader social and political forces, the economic forces, then we are really talking about a con-

glomeration of individuals and that is not to my mind a discussion of class alliances.

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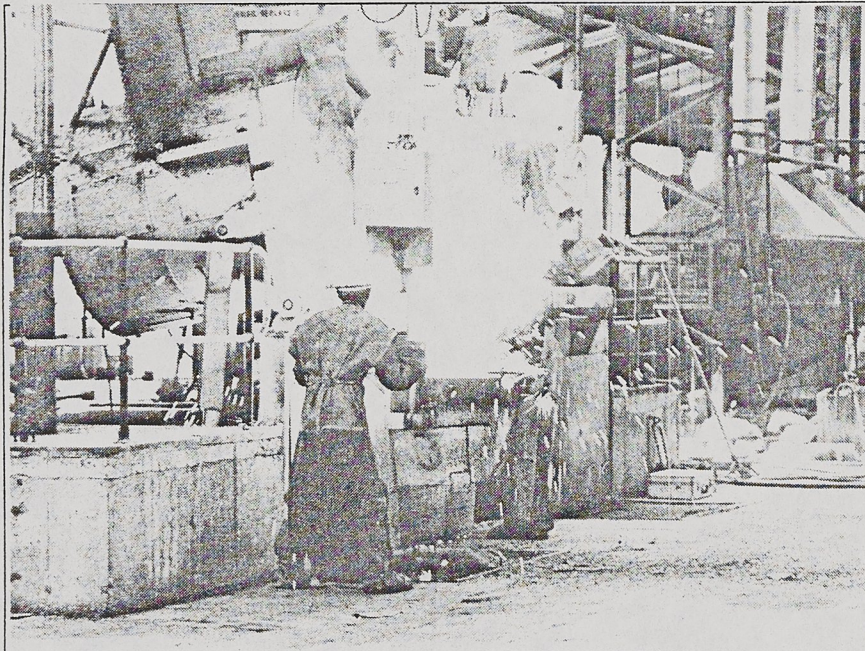
strengths at a high social cost. Yet this basis for our future is now being eroded in front of our eyes as the death throes of apartheid are prolonged. It needs to be stressed that this erosion is not the result of sanctions.

A major problem of this economy is that the infrastructure is linked to the needs of capitalist production and the needs of the white population. If one looks at roads, railways, water and electricity supplies, health care and education, they are all clearly located according to the needs of production, or in white areas. All are disastrously absent where the great majority of South Africa's people live - in the townships and so-called home-

lands.

Secondly, the agricultural base of this society is weakening, and weakening rapidly. The so-called reserve areas or homeland areas, whilst being 13% of the land, were in the mid-60s calculated as being 30% of all arable land in South Africa (arable land is land that can grow crops). Yet that 30% of arable land produces probably less than 1% of the total food supply of South Africa. This situation is critical because what was arable land is being devastated by the effects of overcrowding and underdevelopment.

The problem of poverty threatens to be overwhelming in this society. There are some 35 million or more



*A strong industrial base, but gigantic economic problems*

*Photo: Afrapix*

people living in South Africa, yet if more than five million of those have an income above a living wage, a reasonable income, then we are lucky.

An economy that has basic strengths, but gigantic problems, is what we face. I now want to now examine why these problems become more acute day by day, and whether there any prospect of some kind of solution to these problems.

### Crisis in accumulation

The conclusion of the COSATU study was, that in the South African economy we have a crisis of accumulation. A capitalist economy basically grows through an accumulation process. Simplifying this, it is a process where profits are earned and re-invested back into production. As they are re-invested in production more profits are earned and they in turn are re-invested back into production. This is the process of accumulation. A growing economy is one where profits are re-invested back into production.

But there are two ways of re-investing back into production, the one way is to invest back into existing production, go into the existing mines and factories and put in new machinery and new equipment and in that way increase the output, lower the costs, and increase your profits, a kind of intensive development where productivity rises over time.

The other way is to invest in new factories, new mines and new areas of production. Now these processes are different, from the point of view of

employment and from the point of view of the impact they have on wages and other factors. The first process of investing back into existing production does not necessarily create employment. In fact there is a general tendency for it to reduce employment as you bring in new equipment and machinery. If wages rise as productivity rises then standards of living may rise, although the creation of unemployment could be a problem. In the second process investment does create new jobs.

Historically in capitalist societies, growth rates of about 5% are considered high [the growth rate refers to the rate of increase of production]. Growth at 5% for more than 5 or 6 years is a relatively high growth rate. South Africa had the remarkable set of circumstances from the late-50s right through to the mid-70s where the average rate of growth was very close to 5% if not slightly above, probably one of the highest growth rates ever attained by a capitalist economy for a long period. But since the late-70s the growth rates have been less than 1-2%, and at times zero.

The crises of accumulation that exists in the South African economy at present can be simply described as follows: there is no investment in new production capacity, ie. new mines, factories and farms, and only limited investment in existing factories, mines etc. That does not mean that there are no profits being earned. Gigantic profits are being earned, but they are not being invested back in production. The capitalist economy in South Afri-

ca is not investing in production, it is investing in everything else but production. If it does invest in production it is quite clearly doing that outside of South Africa, in Australia, US or Brazil or other such countries.

Why are capitalists not investing in production in South Africa? Is it because of the political crisis? Our research concludes that this is not caused by the political crisis alone. The change in investment patterns started in the late 1970s, well before the political crisis became as acute as it now is.

It seems that foreign investors were the first to stop investing in new production in South Africa. By the early-80s, South African companies also slowed down their investment, and they began exporting their capital. I want to stress, they did this before the acute political crisis of '84 onwards. Why then are companies investing less and less in production?

The root cause lies in the manufacturing sector. If we are seeking an engine for renewed growth and for job creation, we have to look to the manufacturing sector. And if we want to understand why there is currently no growth, we also have to look to the manufacturing sector for an answer.

### No markets for manufacturing

Why can't the South African manufacturing sector develop rapidly? Its growth rates are very low and employment has been consistently dropping in this sector for the last 8 or

9 years.

There are a number of reasons for this, which I will examine briefly.

The first problem is that there is no growth in the internal market, and very little prospect of growth. There are several inter-related causes of this problem.

Firstly, the legacy of apartheid's previous success in promoting rapid economic growth now weighs heavily as an obstacle to future growth.

Apartheid and previous racial policies created and maintained a system of migrant labour. This provided abundant cheap labour for capitalist production to expand rapidly.

However, the legacy of this system is a devastated rural area and an extremely underdeveloped urban area in the form of the townships. These areas are stricken with poverty, and poverty offers no market for the goods produced in the high cost manufacturing sector.

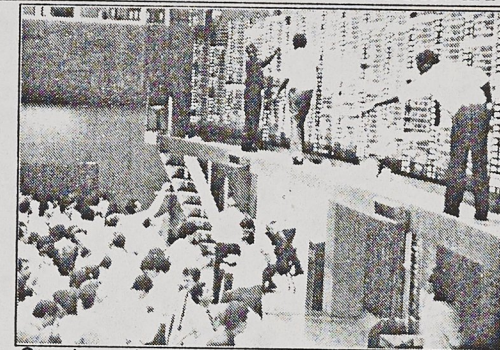
Our manufacturing sector was developed behind tariff protection and catered for the high incomes of white income earners. We have developed a production process geared for high cost production to an affluent market. So what is happening is, slowly more blacks are coming into that affluent market, but at a rate which is slow and can easily be met by existing production with new machinery. There is no need to build new factories to meet the growing black market, because the existing factories can easily meet that market.

The other area that is a barrier to growth in the internal market is that

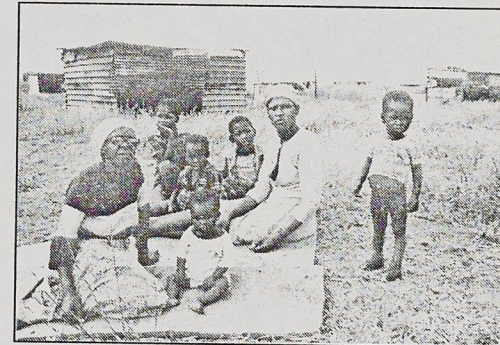
there is obviously a crying need in South Africa for housing and a whole range of other social infrastructure. But capital cannot provide that need. All the studies on housing have shown that if the capitalist system provides 20% of employed workers with housing we will be lucky. The reason they cannot meet that need is that they will only build houses

and other social infrastructure at a profit. In order to make a profit with housing, the prices are relatively high, and the majority of people therefore cannot afford those houses. The State cannot build enough houses because the State is now hamstrung by its own financial problems.

For reasons that would take too long to outline here, it is also unlikely that South Africa's manufacturing sector could expand production as a result of rising productivity, rising wages, and increased consumer spending. The combination of all these reasons therefore makes it very unlikely that the internal market will be a



*Stock exchange: giant profits.....*



*....but no resources for the people*

*Photos: Eric Miller/Afrapix*

prospects of exporting significant quantities of goods is very low indeed. We have no prospect of competing with our direct competitors in what are called the new industrial countries such as Taiwan and South Korea.

Our price structure is too high at this point in time. In any event, if we started to export manufactured goods our imports would increase dramatically, because one of the great weaknesses in the South African economy is that we don't make our own machinery or machine tools. Those sectors don't exist here and so we have to import them on a very large scale. South Africa does not

source of growth for the manufacturing sector. This being the case, the obvious next question is whether South Africa could turn to the world market, and become a significant exporter of manufactured goods.

### No prospect for exports

Here the answer is a resounding 'no'. The manufacturing sector's

have the cash to buy the sophisticated machinery necessary if we are to produce goods for export on the world market.

So there is little prospect of growth of manufactured exports.

A further problem for the economy is the structure of South Africa's foreign trade. South Africa exports minerals and raw materials, and imports machinery and other goods used in production. These imports are extremely expensive, and when finance capital is also leaving the country because it does not want to invest in the South African economy the balance of payments goes into the red. The country cannot afford the imports it needs. This forces the government to cut down spending and slow down economic activity, as the recent budget shows. Internal economic policies are being dictated by the balance of payments constraints. The government's ability to carry out economic reforms or stimulate economic growth are seriously curtailed by the balance of payments.

### Reform for 30%, repression for 70%

I've tried to argue that capital cannot solve the problem for the majority of people, capital can only solve the problem for the minority of people. And the problem facing us is this, that both capital and the State are clearly aware of the fact that their reform solutions are for a minority of the people. Senior businessmen that our study interviewed, said quite frankly and

openly that South Africa's future was a 30%-70% society. 30% of that society would be employed in wage labour at maybe reasonable wages, they would have housing and they would have the kind of things that would make for a reasonable living standard, TVs, washing machines, etc.

The other 70% would do the best they can, they would be in the informal sector, they will be in the rural areas, they will be in the small businesses, they will be unemployed, but no one will know what their income levels will be, and all indications are that they will be disastrously low. They won't have formal housing as we know it, they won't have electricity and running water and other things as we know it. They'll live in squatter camps, upgraded shacks, site and service schemes, etc.

If that is the case, that capital and the State know that only 30% of this society will be catered for, it becomes manifestly clear why reform and repression are not two competing State strategies, reform and repression are the same strategy. The State has no option but to reform and repress at the same time. Because if you leave such a large section of society out of the benefits of capitalism then you are going to have to make sure that you repress all political opposition that may arise in that sector of society.

And in particular it is the working class that will be the most dangerous problem. Because it is the working class that are the largest bulk of potential political organisation in this society. Not only that, the working

class are a problem in existing production because, as I said, profitability in South Africa now depends on increasing profits in the existing factories because you can't invest in new factories.

And that is what we are witnessing at the moment, the great clash between unions and employers is essentially a clash around the costs of production in existing factories. Capital are introducing a wide range of schemes, some fairly overtly coercive and others much more cleverly co-optive in an attempt to weaken the trade unions, not to destroy them necessarily, but to weaken them. The prospect of militant national wage bargaining, the prospect of significant rises in wages, are the prospects that capital cannot tolerate if it wants to keep its profitability in existing factories.

Basically the working class is confronted with a range of strategies that are designed to weaken and divide its organisations. There is substantial evidence of the stratification of the working class, of attempts to pull employed workers into higher paying jobs and put them into housing estates. Of attempts to make sure that you get high wage industries in Johannesburg, Cape Town and Durban but you get low wage industries in the border areas, the small towns in the outlying areas. And you can see it quite clearly, wage levels diverging rapidly into high wage areas and low wage areas.

The conventional argument is that deregulation is designed to create jobs. Our argument is that its real thrust is to lower costs. It does this by

directly lowering wages and reducing expenditure on working conditions. It creates low wage areas that also put pressure on wages in high wage areas.

If this is the economy we are facing, then the first point that we would argue is essential, is that the working class must now not only strengthen its organisations, but must now unify itself as a political force. The working class is under a very severe attack from the State and capital, an attack essentially designed to weaken its organisations, to stratify and divide it as a future political force. If the working class is weak in future, then the problems that exist in our economy now will still be there in the future.

We can talk about the post-apartheid government, but the question is whether the post-apartheid economy is going to be identical to the present economy. And I think we should think about that very carefully because there is no magic wand in the capitalist economic structure that can change the present socio-economic situation. The monopolies under an ANC government are not going to invest in housing, because it is not profitable, the monopolies under an ANC government are not going to produce products that are cheap enough for people to buy, because it is not profitable, and the production techniques don't allow them to produce products that are cheap enough. The monopolies under an ANC government are not going to expand into Africa on a gigantic wave of exports, because they can't compete with Taiwan, Korea and a host of other

countries. So there is little prospect that a change of government alone is going to change this economy.

**A planned economy - the only way out**

That raises I think a very crucial set of issues around the question of a mixed economy. What is a mixed economy? We are a mixed economy at present. In the trivial sense every economy in the world is a mixed economy. The Soviet Union is a mixed economy. The issue at stake in a mixed economy is not the level of state ownership as opposed to private ownership, that is not the issue at stake. The issue at stake is what is the dominant economic process at work. Is it planning, a planned process or is it a market process? If it is a market process we are essentially talking about a capitalist economy.

In South Africa we would argue that if we are talking about a mixed economy that is under the control of market forces, then that mixed economy must exhibit the same problems as the present economy exhibits and there is no easy way of getting out of the present problems. If the mixed economy is an economy that has got private ownership and state ownership but where planning is the dominant process, then there may be a prospect of getting out of the present situation. It won't be easy, but the reason why there is a prospect is that a planned process can move resources from areas of surplus to areas of need through an actual process of planning

rather than through the market. That doesn't mean that the market plays no role. What we are talking about is what is the dominant process in an economy. And we argue that if we are talking about mixed economies, it must be a mixed economy where planning is the dominant process.

Zimbabwean socialism is in our view not socialism because the market forces are dominant. The Soviet Union's use of the market is not capitalism because the planning process remains dominant. Those are the issues we are going to have to address much more carefully and seriously in our society if we are really going to change things. There is only one class in society that has a real interest in a planned economy, and that is the working class. Because it is the working class who are deprived of the resources and riches in South Africa. So if the capitalist economy cannot answer the needs of the working class then clearly it is the working class who have to change that economy. And basically the change in that economy would be to make planning the dominant process.

**A crying task - build working class organisation**

But the working class is only going to do that if the working class is the working class. If the working class is merely a set of categories and catch words used in political rhetoric then there is no prospect of a planned economy. At present the working class in South Africa is being subjected to



Planning can move resources to areas of need....

Photo: Eric Miller/Afrapix

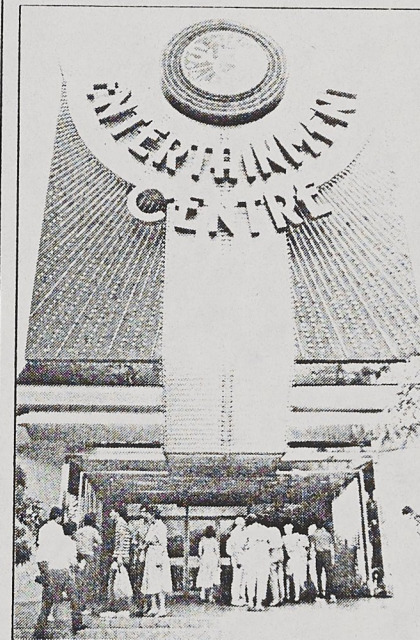
massive pressures to weaken its organisations and divide it politically. The task of resisting this is an urgent and concrete task that the trade unions must contribute to. Working class triumphalism is against the interests of the working class.

The trade unions must contribute because the working class does not only consist of organised and employed workers. It is wider than this, and has to be united and strengthened in the community as well. Given the weight of the working class in our society, to strengthen working class organisation is at the same time to strengthen the mass democratic movement. This project of strengthening and unifying the working class in no way prevents the working class from forming alliances with other strata against the apartheid State. But if they do not strengthen their organisation, if the working class has no programme of action to rebuild this economy, this

economy will not be rebuilt, and the majority of people who now live in poverty will continue to live in poverty.

So our argument is that the issue that needs to be addressed by this society as a whole is what are the mechanisms for restructuring

the South African economy so that the majority of people have a reasonable



....away from wasteful luxury

Photo: Eric Miller/Afrapix

standard of living as opposed to the present situation where the majority of people suffer starvation. ☆

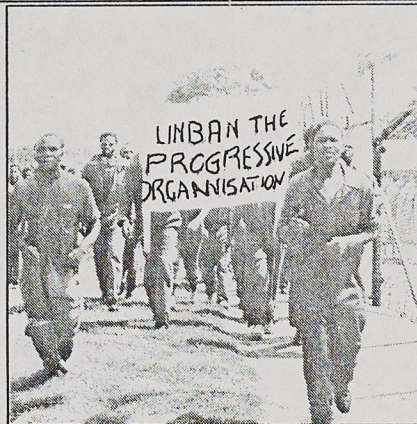
## Discussion

**Question:** *How can the working class, meaning the employees, push to have participation in that kind of planning of production and distribution?*

**Erwin:** When talking about the working class we must not only talk about those workers that are employed. It includes unemployed, particularly unemployed youth, those persons that live in rural areas and don't survive from their production, who are merely surviving from money coming from those in the towns. It is the majority of South African society.

So working class control of production takes place in two different areas. One would be in the factory. Are workers participating or controlling the decisions around production in the factory? The other area of control is whether the resources in the country are being moved away from expensive cars, expensive houses and being put into houses for the poor, roads for the poor.

I don't know if I have made that clear. The working class has got two areas where it needs to control things. One is in the workplace, the other is to make sure the resources of that society come back to the working class and don't get taken away from the



*A crying task - to build working class organisation*

*Photo: Santu Mofokeng/Afrapix*

working class all the time.

So in the factories and mines control depends on the degree of work organisation in those areas. And that is where the union movement is crucial. If the unions are built on organisation in the workplace then those workers in that workplace are going to have a say in the production. Whether they are in control of that production or whether they are not in full control of that production depends on politics too.

On the question of wider control of society it depends whether the government that comes into power is going to meet the needs of the working class or not. Only a government that comes into power that makes planning the dominant process, will meet the needs of the working class. A government that wants to continue with a market dominated economy would have very serious problems in solving the needs of the working

class. In fact we argue it won't be possible.

**Question:** *I'd like to ask a question about the transition from the current capitalist economy under apartheid, to a planned economy. The question that bedevils us and has bedevilled most other post-revolutionary or transitional regimes, is the question of how to make that break, how to actually make that transition from an economy based on profit to an economy based on planning? The moment one starts to try to direct the economy according to planning you are going to start running into resistance from the big corporations, from foreign capital who often control the supply of the technology, and so on. How do you see that process starting?*

**Erwin:** That transition process is the most problematic for most economies. Because it runs up against resistance from capital and international capital who have got a virtual stranglehold on the supply of various products. When we start talking, as is common in South Africa political debate, about the balance of forces in the future, I think we have to start giving that notion real content. I'll give some illustrations, I don't pretend to have the answers here. Precisely this area should be addressed by the mass democratic movement, and particularly by the working class because it is them that are going to be central to this.

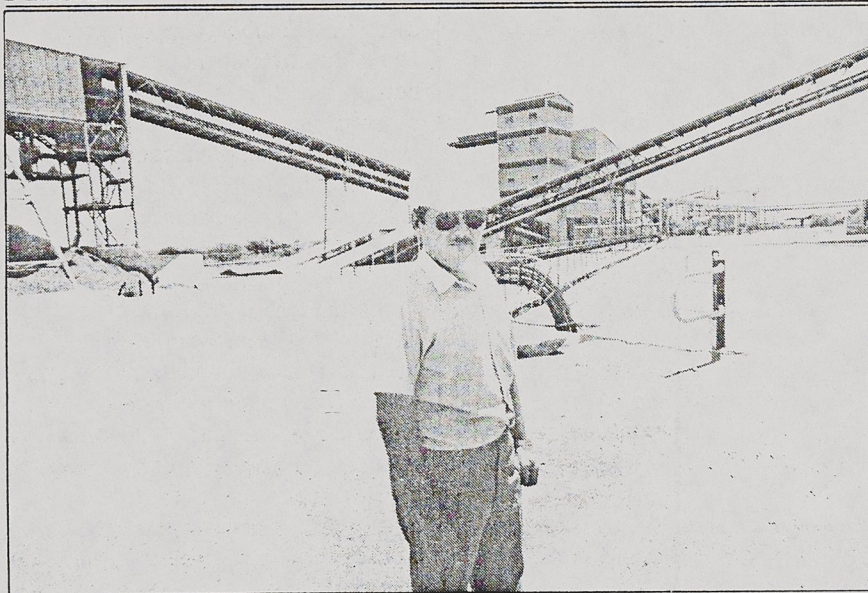
Let's take the question of nationalisation. You can nationalise as was the

case in the Zambian copper mines, where the government merely becomes the shareholder in that copper mine. The rest of the process of management and production remains in the hands of the previous corporations. Now truly that kind of nationalisation has a very limited capacity to redirect resources.

In fact in South Africa that would have no impact on the economy. If we nationalise the gold mines in the same way they nationalised the copper mines in Zambia, that would have no effect on the South Africa economy because the amount of tax that the government is presently taking out, would probably not be greatly increased. Capital would just be taking out the rest of it in profits.

But a nationalisation where the State takes over direct ownership of the company, and then enters into a management contract with the previous owners, is a different kind of nationalisation altogether. Whether that has an impact on the society depends on how well organised the workers are on the mines. So that's one issue, we would have to address the exact form of nationalisation.

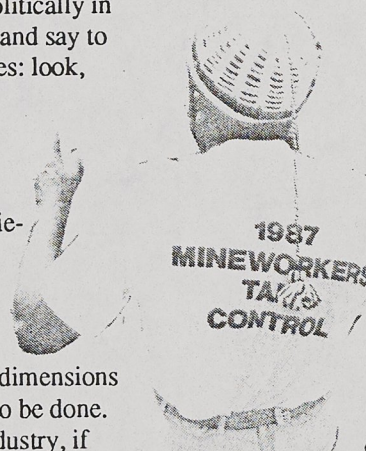
And that nationalisation is only going to become successful if workers in the nationalised plant are capable of taking power away from previous management. I don't say eliminating the previous management physically speaking, but definitely reducing what they so fondly call management prerogative. There will have to be a far greater degree of negotiation as to how the workplace is run.



Nationalising the economy - do workers have the power?

Photo: Steve Hilton-Barber/AFrapix

Practicalities need to be addressed. Would it be possible to nationalise the gold mines and run the risk of a large white exodus of management and skills? We need to address that in a concrete way. Unions should now start to work politically in the workplace, and say to people, to whites: look, we have got a common society, which is different to a union which alienates everyone in the workplace. I am trying to give some concrete dimensions to what needs to be done. In the metal industry, if



we as NUMSA don't pay any attention to training, when the time comes for nationalising Dorbyl, Metcor and other groups, if there are no skills in the plants because the union has abdicated any responsibility for training, we are going to be in mess.

It means the union movement should now address the problem of training in a very serious and innovative way so that we have the skills to stabilise that industry.

That's what I mean by the balance of forces. What you can or can't nationalise depends on the degree of organisation in the workplace. And that's

why it's central for unions to ensure that organisation is strong, and why it's central for management to break union power at this point.

**Question:** Will South Africa after liberation need foreign investment? Will it be available if we nationalise the economy?

**Answer:** South Africa as I said at the beginning, is a very wealthy economy. It most unlikely that international capital would want to surrender this area of the world entirely. And I think that puts a future government, if it is a determined future government, in a relatively strong position to bargain with international capital. I am putting forward my own views here, these are issues that need to be addressed more carefully.

What we may need is foreign investment linked to technology. So we will need to do deals with foreign investment around technology. That's nothing new, that's precisely the way Korea and Taiwan grew. A foreign company coming into the country was told exactly what to invest and what to do about that investment. A wealthy economy like South Africa could negotiate similar deals.

**Question:** You said that costs of production are high in the South African economy. Are you saying that in a planned economy the costs of production will be less?

**Answer:** No a planned economy will not necessarily reduce the cost of

production. This will be an economy that is attempting to restructure pretty rapidly, it's quite likely that there will be planning inefficiencies, so the cost of production may rise. But at least we will be taking resources that we're capable of producing, and putting them in areas of need. We will be effecting structural change, we will be putting houses where there weren't houses before.

Rising costs of production are not easy. But the question is should we tolerate an increase of costs in exchange for improving the roads, electricity, etc. Take electricity as a classic example, the horrifying situation in South Africa at present, is that we have a 30% over-supply of electricity. Eskom is in the process of closing down 14 power stations and retrenching 6,000 workers. But it is estimated that we could use that power to supply every single existing house in South Africa with electricity. The reason the government can't do that is it costs too much to put the lines in.

So if a government came in and said, look we are going to put the lines in even if it costs us something, and we will use this 30% over-supply - costs of production might rise, but the effect on the standard of living of the people of South Africa will be dramatic.

**Question:** I think its going to be very difficult to follow the programme you have outlined unless the national question is resolved.

**Erwin:** As far as I am con-



cerned they are the same problem. National oppression includes poverty, killing people in the working class to weaken their organisation, division of the working class, they are the same problem. And to separate them is where the danger lies. Because if you start separating them you come across the arguments that, well look we'll change the government and then we will start changing the economy. But the economy can't be changed unless we address the present problems that we're looking at.

**Question:** *I want to make a comment on the context within which we are discussing the possibilities of a future South African economy. One of the prerequisites of attempting to change the economy is to win power. That raises a series of political questions which are going to fundamentally effect the type of economy we can or can't build in the post-apartheid South Africa.*

*It is important to look at what is desirable in the long term. But it can't be seen in abstract, it's got to be seen as part of a process of trying to win power. Part of that process of winning power is waging a national democratic struggle. You have a group of different people which are coming together with the common interest of ending apartheid. In order to achieve power, the mass democratic movement has to mobilise the maximise support not just from the working class but from a whole range of other classes among the black people of South Africa, it's got*

*to mobilise support from various sectors among the white people and certainly amongst the coloured and Indian people.*

*You have got to unify those people so that they can effectively challenge the State. But this process of building alliances must necessarily limit the kind of options we have in the future society. Those same people are going to be fundamental to a future economy. In order to run this economy in the future we have to win the support of a much broader sector of South Africa society than the working class itself.*

*My own perception is there are going to be major limitations on what we can achieve in the immediate post-apartheid South Africa. That doesn't mean we don't aim for something different. But we've got to achieve it with both our feet on the ground.*

*My own perception is it is not going to be possible in the immediate post-apartheid society to talk about a planned economy, not immediately. What we are going to have is a possibility of a broad alliance of forces that will attempt to transform the economy. From what we have at the moment, with an ANC government in charge, towards some kind of transformed society, some kind of transformed economy. That will depend on the balance of forces, depending on who we mobilise up to the point of liberation and afterwards, what strength the working class has, to what extent we manage to win over the middle strata of black com-*



*South Africans need the prospect of a reasonable future, in which the abundant wealth of our country is shared amongst all its people, rather than the prospect of a desolate future of poverty and deprivation*

*Photo: Gill de Vlieg/Afrapix*

*munity, to what extent we manage to get the co-operation of a whole lot of skilled white people, not necessarily top management, but people on different levels.*

*That will help to dictate where we go and how much we can succeed in fundamentally transforming this society.*

**Erwin:** *I want to stress that there is an imperative, and a very real and definite imperative, to unify the broadest possible grouping and mass of people in order to remove apartheid. I think that is an essential political requirement and task at the present point in time.*

The working class does also have a task of organising itself as the working class, it is under certain and direct forms of attack and it must organise itself and its organisations in the workplace and more widely in the community.

Now quite clearly we cannot jump from today to tomorrow, from a market to a planned economy. What I am talking about is a position where the working class organisations begin to address what is necessary in the economy and they begin to organise in that direction. If we are talking about a planned economy, as working class organisations, what does that require us to do now, in order that we can tip the

balance of forces in our favour later?

Now to organise in a way where the working class is trying to achieve a planned economy, does not, I want to stress, this does not take them out of the mass democratic movement at all. Because we have got a common goal with a wide range of persons to remove the apartheid regime and a planned economy will require the broadest possible mass of people to support that programme.

Any attempt by organised workers or by working class organisations to distance themselves from the rest of society may well be disastrous for their future. If the working class's programme is one where they want a planned economy, they want that economy because it will improve the position of the vast majority of people in South Africa. And unless we can persuade the vast majority of people in South Africa that that is going to be

the case, there will not be a planned economy.

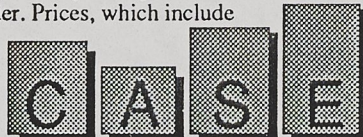
So the political process of liberating ourselves from oppression, and liberating the working class from exploitation are very much the same process. I want to stress, we must not get into a kind of non-alliance politics versus alliance politics.

What we have to be clear on is that the working class better organise itself as the working class, or else in future it is going to have some very serious problems. But in doing that, it is going to have to take with it the widest possible grouping in this society as it can possibly achieve. And that requires a style of politics that is not exclusivist, but a style of politics that includes, a style of politics that is confident, assertive. That offers people a prospect of a reasonable future, not the prospect of a disastrous future. ☆

### An assessment of US disinvestment in South Africa

A research report by the Community Agency for Social Enquiry (See page 47 in this Bulletin). Copies of the full report are available from CASE (Cape), 20 Alfred St., Observatory, Cape, 7925. Payment (South African cheques or postal orders, or foreign bank drafts,) should be sent with the order. Prices, which include GST, postage and packaging, are as follows:

South Africa: R3  
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# Worker participation - reply to Martin Nicol

In the last edition of the LABOUR BULLETIN, MARTIN NICOL reviewed *Esop's Fables*, a recent publication from the Labour and Economic Research Committee (LERC). JUDY MALLER, writer of *Esop's Fables*, replies.

At the outset, it should be stated that I have no disagreement with Martin Nicol's main argument, namely that strengthening the Living Wage Campaign is the most important immediate objective of the union movement. The key issue is not establishing participative management, but rather developing collective bargaining. However, management has placed participative management on the agenda. This means unions must deal with it, within the context of collective bargaining.

Martin Nicol's criticism of *Esop's Fables* can be summarised in two main points. Firstly, he claims that *Esop's Fables* is not written as a guide

to workers because of its style and language, and because it does not explain why workers should participate. However, *Esop's Fables* was not written with the sole aim of providing concrete advice to trade unions. The intention was to provide information to all involved in the industrial relations field. This information was based on a survey of companies which have introduced a range of participation schemes. The survey showed conclusively that worker participation in the surveyed companies is not widespread, nor meaningful in terms of providing workers with real decision-making powers. The report also