

## Some Thoughts on a potential Party intervention in the Economic Debate

The current phase of our struggle has produced unprecedented demands on the liberation alliance in the sphere of economic policy. On the one hand, as the prospects of establishing a democratic, non-racial government in the near future have brightened, the alliance has had to confront some of the complexities which will be faced in struggling to translate the broad popular aspirations for democratic economic transformation into concrete policies which will be effective on the terrain that will be inherited from apartheid. On the other hand, important forces among the current holders of economic power have become extremely active in engaging us in debate and in trying to influence our thinking on key policy issues. Representatives of the alliance are now regularly invited to participate in a variety of conferences or workshops on future economic policy. Yet while a good deal of creative thinking has been going on in the ranks of Cosatu in particular, in overall terms the specific working class and left input has thus far scarcely been decisive in shaping the burgeoning economic debate.

There are a number of reasons for this. Some are linked to organisational and resource weaknesses. Structuring the movement inside the country has not been an unproblematic process, and when it comes to "professional economists" we are terribly thin on the ground. Other problems arise from the fact that much of the agenda is in fact being set by business. It is business that organises many of the seminars and workshops at which our people speak, and it is therefore inevitably the concerns and worries of business to which our representatives are forced to address themselves. This point was recognised at the Harare Workshop organised by the department of Economic Policy of the ANC last September. The Workshop recommended that steps be taken to bring the debate to the people and place the people's needs and concerns at the top of the agenda.

Another set of problems, which impede an effective input from the left, derives from a lack of conceptual clarity about the strategic and tactical goals of a specific working class intervention at this time. This is, of course, not unrelated to the international conjuncture. The crisis in existing socialist countries has given a tremendous boost to free market ideologies throughout the world and placed socialists and communists on the defensive. There is an urgent need to rethink the meaning of socialism and generate new ideas. However, in South Africa a good deal of left intervention continues to be hung up with the question of nationalisation. Many working class militants continue to repeat calls for the nationalisation of the mines or monopoly conglomerates and voices have been heard more recently lamenting what is seen as a substantial departure by the movement from historic positions in this respect.

Such a perspective is not only unrealistic; it also detracts from the urgent necessity for a more flexible and creative specific

Working class input into the economic debate.

In the first place, the continuing emphasis on widespread nationalisation takes little account of the correlation of forces - domestic and international - within which an incoming democratic, non-racial and non-sexist government will have to operate. We need to be frank about this. Extensive nationalisation is an option that could only be implemented at extremely high cost.

\* It would undoubtedly be met by a flight of capital and skilled labour not to mention sabotage and destabilisation.

\* It would be likely to draw a hostile response from the major forces of international capital which have considerable potential leverage at their disposal.

\* There is no secure rear base in the socialist countries on which to base such an approach. No socialist country is encouraging such a course, and indeed it has been made abundantly clear that the socialist countries have neither the capacity nor will to bail us out.

\* Our own capacities to manage a vast state sector are extremely limited.

All in all, the domestic and international correlation of forces is such that we could not get away with nationalisation without compensation. We could quibble about the extent of compensation, but some recompense would have to be paid. This would of itself place severe limits on the re-distributive impact of such a move. Buying up the monopolies or mining houses even at half price would, for example, tie up the state budget and balance of payments account for decades.

All of this implies that extensive nationalisation could only be implemented at the cost of a fairly pronounced downturn in the economy. While some on the left appear to believe that this is a sacrifice our people are willing to make, experience in much of Africa and elsewhere suggests that economic collapse seldom produces popular enthusiasm for socialism in cases where the blame for the collapse can with some credibility, even if unjustly, be laid at the door of a revolutionary government. The warning by a former Director General of Foreign Affairs in the Sandinista government of Nicaragua is relevant in this regard. He told a seminar at the University of Cape Town that one of the lessons of the Nicaraguan revolution was "...not to overestimate the capacity of a people and society to endure systematic suffering and destruction. We on the left often tend to be romantic...[but] we discovered that there were limits to what people were prepared to endure" (Alejandro de Bendana, *Die Suid Afrikaan*, 30, Desember 1990/Januarie 1991).

For all of these reasons and others, extensive nationalisation is an option which the broad movement is unlikely to embrace.

Continuing to call for it thus amounts to expending energy on a struggle for a goal which is in fact unobtainable.

Equally important is the fact that such a position is rooted in an outdated and now discredited conception of socialism. It derives, whether consciously or unconsciously, from a conception of socialism as a mode of production, whose principal characteristic is state property. This is a notion which, *inter alia*, reduced the concept of socialisation - workers progressively gaining control over the means of production - to a narrower change in property relations.

We need in my view to return to the broader conception of socialism present but not fully developed in the Marxist classics. This saw socialism itself as a transitional mode between capitalism and communism. In *Economics and Politics in the Era of Dictatorship of the Proletariat*, Lenin for example identified socialism as a social form in which elements of the new communist society are being created on a terrain still profoundly marked by the heritage of the old.

If we accept the above and indeed the fact that the immediate post-apartheid period will be characterised by the struggle for national democratic rather than socialist transformation, a more open and creative approach to the economic debate becomes possible.

Instead of focusing almost exclusively on the nationalisation question, we should be asking ourselves what elements of transformation beneficial BOTH to working people's immediate interests and to an eventual transition to a socialist society can be built on a terrain which will inevitably continue for some time to be profoundly marked by the heritage of the apartheid economy?

I would suggest that there are at least the following:

\* First, all significant forces have been obliged to acknowledge the necessity for some re-distribution and for the basic social needs of impoverished people to have priority in a new government's economic policy.

\* Second, there is general acceptance both within the alliance and among substantial sections of the broader society that we need an effective, though limited state sector and that various forms of community and popular ventures should be encouraged.

\* Third, the alliance is programmatically committed to providing full rights to working people to organise. This is also a demand which capital, though evidently less than enthusiastic, finds difficulty in directly opposing.

\* Fourth, there is widespread acceptance that democratic decision-making bodies should be established to deal with aspects of economic policy at various levels.

These are some of the areas in which working class organisations could become more active in shaping the debate. We need to identify priorities for programmes of redistribution and basic needs. We need to be intervening to define the kind of state sector we want and why. We need to be giving content to demands for a democratic industrial relations system and to the kinds of democratic consultative and decision-making bodies - at national, industrial and plant level - we want to create.

The achievement of these goals would significantly change the balance of forces in the economy. It is within our power to achieve these goals and succeeding in this regard would change the terrain of struggle and create more favourable conditions for an eventual struggle for socialism - which is likely to take the form of a Gramscian war of position.

The economic debate is now opening up. We have the possibility of intervening now in a way which places issues of central concern to the working class more firmly on the agenda. If we do not seize the opportunities now available, capital's concerns and worries will inevitably continue to dominate the agenda.