

UMRABULO was a word used to inspire political discussion and debate on Robben Island. This concept was revived in 1996 when the ANC published the first edition of Umrabulo. The journal's mission is to encourage debate and rigorous discussions at all levels of the movement.

Call for contributions

Umrabulo welcomes contributions from readers. Contributions may be in response to previous articles or may raise new issues. Contributions may be sent to the address below.

Subscriptions

To subscribe to Umrabulo, complete and return the subscription form at the back of this edition. Subscribers receive Umrabulo quarterly by normal post. This service is available to both South African and international subscribers.

Editorial Collective

Nathi Mthethwa – Editor-in-Chief
Joel Netshitenzhe
Thenjiwe Mtintso
Joyce Mashamba
Enoch Godongwana
Dipuo Letsatsi–Duba
Donovan Cloete
Steyn Speed
Muzi Ndlovu

Contact Information

Address: Umrabulo
 PO Box 61884
 Marshalltown
 2107
 South Africa
Telephone: 011 376 1000
Fax: 086 633 1437
e-mail: umrabulo@anc.org.za

The contents and views expressed in Umrabulo do not necessarily reflect the policies of the ANC or the views of the editorial collective.

Umrabulo on the web : www.anc.org.za

Contents

IN THIS ISSUE

- 3** Madiba as an embodiment of the ANC's value system
 BY GUGILE NKWINTI
- 7** Corridor to Corruption
 [REPRINTED FROM THE AFRICAN COMMUNIST]
- 16** Why inequality matters:
 South African trends and interventions
 BY JOEL NETSHITENZHE
- 26** Black capitalists without capital
 BY KGOSHI MAEPA
- 30** On form and content of debate in revolutionary movements
 BY THANDO NTLEMEZA
- 41** Women's Charter

NATHI MTHETHWA

EDITOR-IN-CHIEF

IN the life of every nation, there arise men and women who leave an indelible and eternal stamp on the history of their peoples. The persons of substance who are both products and makers of history, whom when they pass on they leave a legacy of an improved and better life.

Since the last edition of *Umrabulo*, two important events has taken place in our country. First, the passing on of former our President, Isithwalandwe Nelson Rolihlahla Mandela. The world descended on our shores to pay their last respects to this global icon that refused to be separated from his organization, the African National Congress. Even in death our beloved Madiba continues to honour his membership dues through the inheritance he left for our movement.

The presence of the world community to pay homage to this statesman, sent a message that humanity will not cease efforts to make the world a better place.

The Second event was the holding of the fifth general elections. Once more South Africans from all walks of life communicated to themselves and the world that as Mandela's Children we will continue in his footsteps. We will not fail him.

South Africa turned twenty this year. A remarkable achievement. As part of the celebrations of the two decades of freedom the government embarked on the number of events. Amongst them we can cite the following:

a) The Deputy President of the ANC and the Republic of South Africa, Comrade Cyril Ramaphosa, led a delegation to Delville Wood in France. This is one of the towns that experienced fierce battles in 1916 during the first World war. Amongst those who fell in that battle were South Africans. When the monument was erected in honor of those who fell, the then South African regime made sure that the blacks were not buried in the same area as their whites compatriots. We went there to correct that. Private Bheleza Myengwa's mortal remains were removed from the original



unmarked grave and placed in the monument where he belongs.

b) The authorities of the United States of America granted us the permission to temper with their soil, to exhume and repatriate the mortal remains of the South African patriot, Nathaniel Ndazana Nakasa. A journalist that came from a generation of journalists of *Drum*

Magazine that refused to be silenced by the then apartheid regime. In 1964, he received a Nieman Fellowship to go study at Harvard University in the USA. Nat Nakasa was refused a passport and was given an exit permit. This led him to describe himself as "a native of nowhere". He died under mysterious circumstances on 14 July 1965. The apartheid regime refused permit for the return of his body to be buried in the land of his birth.

c) Ma Rebecca Kotane, the Widow of Comrade Moses Malume Kotane, who turned 102 in February of 2014, expressed a wish to have the mortal remains of the Late General Secretary of the South African Communist Party and Treasurer General of the African National Congress to be brought home. We have since engaged the Russian government and it granted us the permission to remove Malume from their soil. Towards the end of August this year we will travel to Moscow for his repatriation.

The preamble of the Constitution of the Republic of South Africa enjoins us to **"Recognise the injustices of our past; Honour those who suffered for justice and freedom in our land; Respect those who have worked to build and develop our country; and Believe that South Africa belongs to all who live in it, united in our diversity"**.

All the events cited above affirm these patriots as people of sound repute who contributed emensely in the efforts of Africa and the world to achieve peace, prosperity and social progress. In their different ways they recite a story of South Africa. A past we should always appreciate as we surge forward.



Madiba *as an embodiment* *of the* **ANC's value system**

Through his contribution to our struggle, Nelson Mandela was a living embodiment of the values of loyalty, integrity, selflessness, humility and honesty, writes GUGILE NKWINTI.

THE African National Congress (ANC) as a revolutionary national liberation movement differs from its political counterparts, or strategic opponents, in the South African body politic not just by the content of its elections manifestos. It is also distinguished by its set of values, political culture and organisational discipline. These three sets of qualities, can be collectively described as the ANC's value system. The ANC's values are loyalty, integrity, selflessness, humility and honesty. Nelson Mandela was a living embodiment of the ANC's value system.

It is this value-system that has shaped and reshaped the ANC over a century; and which has been shaped and reshaped by generations of leaders and members of the ANC over a century, during the best and worst of times. As Walter Sisulu said when the movement faced one of its worst moments with the assassination of

Chris Hani: *"The ANC has seen many crises before; and overcame them. Even this one, it will overcome."*

This optimism and confidence, despite the gravity of the moment, was informed by a long history of highs and lows of our long struggle.

Our leaders taught us to be what our value system asks us to be. They were loyal to the ANC and the cause it pursued. They conducted themselves with integrity in their private and public lives. They were selfless to the point that they valued the freedom of others even more than theirs. They were honest with one another, with the people of South Africa and with the ANC even over many years of separation. Despite their international iconic status, their feet remained firmly on the ground – humble in their interaction with people, irrespective of their class, gender, race and age.

Loyalty

The strategy of the ANC is the national democratic revolution, whose objective is the establishment of a national democratic society, whose key principles are national unity, non-racialism, non-sexism and democracy. All ANC members have to be loyal to the cause of the national democratic revolution, and, pursue it relentlessly, guided by the ANC constitution, its principles, policies, and tactics.

Tactics are defined by the ANC from time to time depending on material conditions, time and place. While members of the ANC might differ on tactics, given time, place and politics, they do not have that luxury on strategy, constitution and policies. Leadership sensitivity to this reality in its political and organisational management is critical.

A lot of real and imagined divisions among ANC members, particularly in regions and branches, can be attributed to lack of sensitivity to this reality on the part of those responsible for political and organisational management at those levels.

Integrity

An ANC member's actions ought to be predictable in similar circumstances. They should not respond differently given two similar sets of circumstances, even at different places and times. That would be inconsistent and would lead to a credibility crisis.

They should also 'walk the talk'. An ANC member should not say one thing, but do another. In both instances that would tarnish the image of not only the individual, but that of the African National Congress. People must trust that what the ANC and its members say will find expression in its plans and programmes.

Selflessness

The highest form of selflessness is that demonstrated by many activists and cadres of our revolution, some of whom perished in battles against, and in the gallows of, the apartheid regime. Among them are Vuyisile Mini and Solomon Mahlangu, who marched respectively in song and oration to the apartheid gallows, inspiring millions of liberation fighters. They were in the liberation struggle in pursuit of a just cause, not for their personal interests.

Another illustration of selflessness was ex-

pressed by Nelson Mandela when he addressed the court on behalf of his fellow Rivonia trialists: *"During my lifetime, I have dedicated myself to this struggle of the African people. I have fought against white domination, and I have fought against black domination. I have cherished the ideal of a democratic and free society in which all persons live in harmony and with equal opportunities. It is an ideal which I hope to live for and achieve. But, if needs be, it is an ideal for which I am prepared to die."*

Humility

Humility is not a sign of cowardice or weakness. This has been ably and poignantly demonstrated by our iconic leaders over the many years of struggle. For an ANC member it is a sign of self-confidence, self-discipline and confidence in the ideological and strategic correctness of what the ANC stands for – a united, non-racial, non-sexist and democratic society.

There is some parallel to this in Sun Tzu's teachings, as set out in his book, **The Art of War**: *"I have three treasures that I keep and prize: one is kindness, second is frugality, and third is not presuming to take precedence over others. By kindness one can be brave, by frugality one can reach out, and by not presuming to take precedence one can survive effectively. If one gives up kindness and courage, gives up frugality and breadth, and gives up humility for aggressiveness, one will die. The exercise of kindness in battle leads to victory, the exercise of kindness in defence leads to security."*

This quality, together with honesty, integrity and selflessness, endeared our iconic leaders to both friend and foe, domestically and internationally. They have combined to make the ANC an extraordinary revolutionary national liberation movement, and the envy of its counterparts across the world. Humility is a virtue. That is how our iconic leaders became legendary, turning our glorious movement into an extraordinary political formation. We must make every effort to be like them, humble yet resolute.

Honesty

The reason we often refer to our leaders when discussing matters of our organisation is that we do not want our conversations to be technicist or sterile. We want them to be warm and dynamic, so that what we are talking about is understandable, makes political sense, and can be emulated by ordinary ANC members.

Consider the following quote from Nelson Man-



dela (*Long Walk To Freedom*, p 562) on his first meeting with the ANC National Executive Committee in Lusaka, after his release from prison: *“I carefully and soberly explained the nature of my talks with the government. I described the demands I had made, and the progress that had been achieved. They had seen the memoranda I had written to Botha and de Klerk, and knew that these documents adhered to ANC policy. I knew that over the previous few years some of the men who had been released had gone to Lusaka and whispered, ‘Madiba has become soft. He has been bought off by the authorities. He is wearing three-piece suits, drinking wine and eating fine food.’ I knew of these whispers, and I intended to refute them. I knew that the best way to disprove them was simply to be direct and honest about everything that I had done.”*

Honesty paid off, for at the end of that meeting, Nelson Mandela was elected ANC Deputy President.

Organisational Culture

Two fundamental principles stand out in the ANC's organisational culture: democratic centralism, which is a reflection of the ANC's ideological evolution; and collective leadership, a far-cry from its historical institutional roots – religion and tradition - where the priest and the chief were the leaders.

Collective leadership

In the ANC, it is a leadership collective that is elected, not a leader. It is significant that when electing the leadership across all its four tiers – branch, regional, provincial and national – the ANC, elects the leadership layers referred to as Officials first; then, the rest of the collective. These Officials, who assume the status of *‘leaders among equals’*, are themselves led by the Chairpersons (at branch, region and province) and the President (at national). It is this layer of leader-

ship which provides strategic guidance to the overall collective.

In these layers of leadership is vested the authority and responsibility of the organisation between conferences and biannual general meetings. The authority and responsibility are expressed in terms of programmes and resolutions, which these leadership collectives have to carry out during their terms of office and account for at the end of the term.

Democratic Centralism

Vladimir Lenin had the following to say about democratic centralism:

“Democratic centralism is a method of organisation that embodies two elements, democracy and centralism, in an ever-changing dialectical relationship of struggle and unity. Thus, there is no formula for the ‘correct’ proportions of democracy and centralism. Instead, communists must determine the synthesis of the two that enables their organisations to provide coherent and decisive leadership to the working class.

“The democratic aspect of democratic centralism ensures effective decision making. It includes thorough discussion of political questions, full airing of minority viewpoints, collective decision making or periodic review of delegated decisions, reports from the members on their work and analyses, provisions for initiatives from members, and criticism of all aspects of political, organisational, and theoretical practice. The democratic practice of the organisation rests on the principle that collective decisions made by majority vote after a full, informed, and frank discussion are more likely to reflect the interests of the working class than decisions made without such a discussion.

“Centralism is necessary to ensure unity of action in carrying out the organisation’s decisions, to provide strategic and tactical flexibility in dealing with the highly centralised bourgeois state, and to create the basis in social practice for evaluating the organisa-

▲ **Celebration...**
NEC members taking time off during one of its meetings to celebrate the late President Nelson Mandela's birthday.

tion's line. Centralism includes leadership at all levels summing up the ideas and experience of the membership, drawing up proposals for the organisation to consider, presenting political arguments for the positions it recommends, implementing policy, and responding decisively to guide the organisation and the working class through the twists and turns of the struggle.

"However, it is the unity of democracy and centralism that guides us, and it is essential to understand the interdependence of democracy and centralism. Without democracy, the leadership lacks accurate information about the actual unfolding of the class struggle, and especially about the needs and capabilities of the masses. Instead, it must develop strategy and tactics by applying Marxist theory to its own partial view of the political situation. But, as Lenin put it, 'The actual unfolding of the class struggle is infinitely richer than the most advanced theory.' Democracy means tapping the creativity and experience of many people to make sure that the organisation's line corresponds to the real development of the class struggle in a scientific way.

"On the other hand, without centralism the experiences of the party's members and of the masses would remain scattered. The organisation would be unable to translate its knowledge and experience into a material force. Thus, there can be no democracy without centralism, and no centralism without democracy."

Political Culture

The ANC's political culture was summed up by Pallo Jordan at the ANC National General Council in Port Elizabeth in 2000: "The ANC was born

through struggle, and for struggle; it grew through struggle; it evolved through struggle; and, it is rooted among the people."

This rootedness among the people was expressed by Mandela on his release from prison on 11 February 1990: "I stand before you not as a prophet but as a humble servant of you, the people. Your tireless and heroic sacrifices have made it possible for me to be here today. I therefore place the remaining years of my life in your hands."

Addressing a rally in Durban on 25 February 1990, he said: "Since my release, I have become more convinced than ever that the real makers of history are the ordinary men and women of our country. Their participation in every decision about the future is the only guarantee of true democracy and freedom."

Nelson Mandela helped resolve one of the twentieth century's most intractable political problems when he led the forces of democracy in dislodging the National Party and bringing down apartheid. He accomplished that feat not through the best armed forces, but through the least eminent means – honest engagement and negotiations, driven by confidence in the moral correctness of the ANC's cause, strategy and tactics.

Gugile Nkwinti is an ANC National Executive Committee member. This is an edited extract of a political lecture entitled '*ANC Values, Political Culture and Organisational Discipline: A Tribute to our Struggle Icon and Founding President of the Democratic South Africa, Nelson Rolihlahla Mandela*', Port Elizabeth, 17 July 2014.

A future for Socialism?

But these are debating points. They may counter but do not answer the question which troubles socialist everywhere: Is there any future for socialism? Does Marxism still have validity?

In considering the present crisis of existing socialism we need to go beyond describing what has happened. We need also to ask how did these things happen? And most importantly why did they happen?

We make no claim to any special wisdom on this matter. Many socialist are taking the easy course of blaming the leaders for everything that has gone wrong, and thus escaping from the obligation to examine every aspect of socialist theory and practice. It is not our intention here to try to make such an examination. We want to explore only a single facet of the problem, without claiming that it is necessary the most important aspect.

We want to examine some of the forces that shape the behaviour of leaders of socialism; and to establish whether it is their characters and personalities which determine the system or, on the contrary, whether there are factors in the system which create their character and behaviour

Self-sacrifice

The CVs of the leaders of socialism are almost invariably similar – composed of careers of honest endeavour and self-sacrificing devotion to their cause. Virtually no leader of a socialist movement who reached that status before it had won state power through the devious means of everyday politics in the Western world – vote buying bribery, wheeler-dealing, conspiracy or military coup. Socialist leaders, almost without exception, have come up the hard way – through years of underpaid, underprivileged and demanding struggle. Generally their only rewards, if they have had any, have been those of social ostracism, unemployment, imprisonment, torture or exile; and often all of them. Their status as 'leaders' has been neither bought nor seized; it has been earned through self-sacrifice in a cause, which offers no immediate personal reward, and little prospect even of possible reward in the future.

In these conditions, socialist leaders everywhere – particularly communist leaders – have earned a reputation for selflessness and incorruptible in the period when they neither hold power nor stand on the threshold of power. Which brings us to one aspect of that crucial question: why?

Why the contrast between incorruptibility and self-sacrifice when out of power? (Throughout this article, we use the word 'corrupt' in its dictionary sense – that is: to infect, debase, pervert or defile and not in the way it is commonly used today to indicate financial wrongdoing only.) What is the ingredient of power that proves capable of corrupting the most incorruptible of people?

Corruption and capitalism

This is not a question to be asked of the socialist world alone. On the contrary. The corruption which power induces in the power-holders is visible in all societies – capitalist and socialist, developed and under-developed, dependent and independent, imperial and colonial. The fact of corruption is not variable. What varies from social system to social system is apparently not the existence but the nature of the corruption. The characteristic corruption of capitalism, for example is related understandably enough to money. The whole motivation of the capitalist system is the accumulation of private wealth by exploiting the labour of others. Status and privilege accrue to those who accumulate most. Personal enrichment with small regard to the interest of society is both acceptable and admired. Such a society is thus a hothouse for breeding financial corruption, which seeps through the stock exchanges, the multinational corporations, the political parties and administration, into every centre of power.

In the highly developed centres of capitalism, only the tip of the corruption iceberg is revealed by the USA's billion dollar Savings and Loan scandal, or in Japan's Recruit Corporation, and Britain's Distillers Corporation. In politics, corruption surrounds all the CIA's involvement in drug-running and Oliver North's funding of the Iran Contra affair as well as Britain's 'privatisation' of public property, and 'sweeteners' for British Aerospace. In less developed capitalist societies, the absence of law and democracy encourages even more blatant and gross corruptions – the looting of the public purse by a Marcos or a Mobutu; the sponsoring of death squads by a Pinochet or a PW Botha; genocide of the indigenous forest peoples to free the land for profit-making in Brazil; and so on.

Ethics of the System

Socialism is different. Its motivation is the general advancement of the whole population – not individual enrichment. This creates a different but not necessarily corruption-free environment.

SACP March: ▶
*Is there a future for socialism?
Does Marxism still have validity?*



It produces a climate hostile to the accumulation of vast private funds, and one which provides neither status nor power in reward for personal wealth. The means by which status and power are achieved are not necessarily corruption-free. But the corruption is seldom driven by a pursuit of personal riches. Its drive is generally a desire, often well intentioned, to impose on society what is deemed to be *'the public good'* or *'the good of the state'* – even when society as a whole does not recognise it as such. Whatever the form of the corrupt practice, whatever its consequences, its ostensible motivation is to advance the public interest and *'state security'*, not to protect or amass private property.

Socialism's moral and ethical codes are based on the concept that acceptable personal advance depends on the general advance of the whole society; that the individual rises with society as a whole, not from it. It is this code which provides the motivation for socialist leaders before they attain power in the state. It explains why they willingly follow a life of personal hardship and privatisation; why they pass up a lifestyle of ease and comfort in order to devote themselves to winning the advance of the group – be it party or nation.

Why should all this change when socialists finally achieve power? There is now more than enough evidence that it does – if not in every case, at least more often than not. It is as though there are two stages in their history – BP, Before Power; and AP, After Power. BP is a period of incorruptibility; AP of corruptibility, and often of corruption. The process of transition from BP to AP is apparently subtle and happens almost imperceptibly over time. But why? Is it an inevitable process? Or is it like a wasting disease which attacks only those with already infected standards whose symptoms have not previously been visible? Whatever it is, the evidence from the socialist countries show that the transition certainly happens, not to everyone in the seats of power, but to many enough to constitute a case requiring treatment.

It requires a tremendously detailed knowledge of life and conditions in the socialist countries to explain the phenomenon on the basis of their experience. We make no claim to such knowledge. Instead, an attempt to explore the question Why? and How? We want to draw on factors which can be seen in embryo in our own South African liberation movement, and in various of its component bodies. None of these bodies yet exercises power in the state, but there are obvious indications that they may well do so in the near future. Our movements and leaders operate

therefore with prospects of power before us. And those prospects begin to influence our own practices.

This is not to suggest that because power is now in sight, we are discarding the moral standards of past years of struggle. Corroding corruption has not become part of our style. But the subtle foretaste of corrupting power seems to be creeping up on us unnoticed. We ignore the warning signals at our peril. Unless we can identify and eliminate the factors which have corrupted good honest leaders and organisations elsewhere, we could well repeat the experience of their decline and fall.

For a details analysis of the Eastern European process in which once honest men and women declined and fell, one must turn to their history. But in our own case we do not yet have any such history. We are only at the beginning – perhaps the birth pangs – of the process. Since are in a BP (Before Power) position, we have to attempt to see where we are heading by using the historical experience of others. We have to rely on imagination because we have no After Power (AP) history of our own.

A Man of the People

Let us combine our own observations of what is actually happening in our movement with our imagination, in order to present the story of *'A Man called Uncle'*. He is an honest, incorruptible and widely respected veteran of our struggle. Though he looks older, he is only middle aged. He has not had an easy life. All the drive and energy of his life has been given to the cause of liberation. His single-minded services to our people's struggle has brought him almost universal respect. He has become accepted by the people as one of their real leaders. They show admiration and respect for him in the courtesy title *'Uncle'*.

Uncle has lived all his life on a simple scale. From the struggle he has received few material

rewards. Only his constant political activity distinguishes his way of life from that of his working neighbours. He is probably the best known man in the district. He has been frequently seen on platforms, in marches and assemblies. People have heard him speak in public. They know what he stands for. They feel familiar with him and his character, even though they may never have exchanged words. He is known as honest and serious. He has become *'our leader'* without ever seeking to be so. For him, leadership is not a privilege or even a reward for his past. He sees it as an extra duty which others do not have.

The revolutionary change he has worked for all his life is coming close. Change is in the air. The leaders are in great demand to meet foreign diplomats, local dignitaries from the *'other side'*, delegations offering aid. Many of these duties fall to Uncle. He is told by his comrades that for such occasions his usual jacket and pants won't quite do. He will be the odd man out among all the blue suits. The others will not take him or our movement seriously. Uncle of course has a dark suit. It has served him for weddings and funerals for years. It is getting shiny and the cuffs are beginning to fray. Will it be good enough for the occasion? His colleagues think not. A new suit, smart shirt and tie are provided. Rigged out like this, he is persuaded, he will properly represent a movement which will soon be part of government.

Formal meetings become very frequent. Uncle gets used to wearing his formal outfit every day. He feels quite at ease in it. Hasn't it always been the movement's aim to raise everyone's standard of life so that all can dress and live well? Imperceptibly a narrow gap begins to open up between him and his neighbours. They become slightly guarded in their relations with him, more deferential. They no longer exchange banter with him in the street. They begin to see him as *'a big man'*, and they keep their distance unless he makes the first move

Uncle drives an old Ford. His colleagues tell him it it demeans our movement when he takes it to important functions where everyone else arrives in a shiny black limousine with chauffeur. In any case, his Ford is subject to breakdown. He may miss an appointment, or arrive late with grease on his hands. The old Ford will not do. He is allocated an official car – almost new, with a trusted comrade as driver (our movement doesn't approve calling him a *'chauffeur'*) – to arrange parking and car maintenance. Uncle no longer travels by train or bus. He leaves home by car and returns by car. He no longer has time

to walk around the neighbourhood just for exercise. Opportunities for casual encounters with the neighbours wither away.

The burdens of power

Political change is close. There is ferment in the country and confrontation between rival factions is fierce. There are brawls and assaults at every political event. Prominent revolutionaries are under threat from wild men among their opponents and perhaps even from assassins hired by the threatened regime. Our movement decides that, whether they want them or not, leaders must have bodyguards. Uncle believes he is safe among the people without any bodyguard. He dislikes doing everywhere with a silent shadow, even though the shadow is a trusty comrade. But uncle is a disciplined member. He obeys the movement's rules.

Occasional off-duty strolls among his neighbours are no longer possible. Even at political meetings he can seldom talk freely and off-the-record to any of his comrades. He is shepherded by his bodyguard from his car, and escorted through the audience to the platform. When the meeting ends, there is no hanging about. It is back to his car, and away. This is not the way uncle would like it. But his bodyguard has his orders from *'Security'*. The whole procedure has been decided *'at a higher level'*. Uncle learns to accept his condition of isolation as another *'sacrifice for the cause'*.

There are other things happening to him, which he cannot stop or change. Outside his own home people no longer address him as *'Uncle'* but as though he has stopped being a person and has become an institution. Our movement has finally moved into the offices of state power. Uncle has become a Minister, and even the term *'Comrade'* has begun to disappear. He is now addressed solely as *'Minister'*, or even more to his distaste – as *'The Honorable Minister'*. He has been given – no one knows by whom – a rank in the order of public importance he has to learn, reluctantly, to occupy the slot determined for him by *'Protocol'*. He must only walk, talk or be photographed in public after the Minister of Defence, and before the Minister of Justice.

The Protocols of Power

'Protocol' and *'Security'* are taking charge of his life. Once these two words referred to rules for behaviour. Now they have come to mean whole organisations of faceless people who make rules in private and account to nobody except their

own Minister. Their decisions have acquired the force of laws. Uncle resents it, but Ministers, like all other loyal comrades, must abide by the decisions of the movement and government. 'Protocol' provides a large suburban house suitable for diplomatic entertaining, and insists that Uncle moves to it. His only neighbours in the secure 'Diplomatic Zone' are Ministers, foreign diplomats and senior officials. 'Protocol' demands that Auntie too acquires a new, fashionable wardrobe, she must not continually appear in the same dress. 'Security' provided two motorbike outriders to accompany his black limousine everywhere. 'Protocol' arranges for a state decree to warn all road-users to draw to the side and stop when the sirens sound.

'Protocol' stocks his house with exotic drinks and delicate foods. Uncle has been satisfied with his usual home fare, but has been firmly told that this will not do. French wine and smoked salmon for 'entertainment' purposed are deemed by 'Protocol' to go with his Ministerial functions. No one knows why, but it is said that, without them our government will be dismissed like an unimportant poor relation in the diplomatic world. It has to be admitted that Uncle enjoys the fine food and fine wine. But he is determined not to let them seduce him from his real aim, which is to represent the ordinary people.

His trouble is, he is no longer meets ordinary people. He meets only other officials, or diplomats and businessmen wanting special favours from the government. He sees ordinary people from the windows of his car, and from the platforms of public meetings, but he no longer hears what they say or think or want. Now that he no longer take neighbourhood strolls, or lunch-

hours in the works canteen, he can learn about the people only from newspapers – when he has time to read them – and from reports put on his desk by his personal secretaries and aides. Uncle is careful to insist that they tell him all the facts – no cover-ups, no sugar coatings. He believes they do.

Men for all seasons

The aides are younger than the men of Uncle's generation. A few could be called 'veterans of the struggle'. But the majority have been selected by 'Personnel' because they are bright, well educated, and specially trained for their posts. Most of them were formerly activists in the movement and they all support the new government. But their outlooks on affairs are not always quite the same as Uncle's, which were formed in a different age. Theirs were formed when power was close at hand. Few of them are motivated like Uncle by a selfless idealism; they have careers to consider. Their work is 'for the cause', but it is also a career.

The longer they stay in their posts, the less they think of themselves as 'comrades'. They begin to think of themselves as 'career diplomats' or 'career civil servants'. Their promotion no longer depends, as it once did, on their standing in the movement or their contribution to the struggle. It now depends on issues in the corridors of power – on the loyalty they display to those above them in the hierarchy, and on the smooth efficiency of their own departmental work. They need to keep on the right side of the people of power and influence. They develop a style of work suited to a regular civil-service career, where it is better to do nothing than to make a

FOR A LOOK BEYOND THE HEADLINES

Read everything about the African National Congress,
brought to you unedited, by the African National Congress.



www.anc.org.za

mistake. Their position makes them cautious. They are not innovators or originators. Publicly they must be seen to toe the official line and where they are not prepared to do so, they can only resign from their jobs, or conspire secretly not to lose the confidence of the Prime Minister and the Party leadership.

Things are not going well for the new government. The opposition has reorganised, and is obstructing the new government's policies. There are even rumours of sabotage. Foreign investors are withdrawing. Prices are rising and jobs are being lost. The servants of the state want to combat discontent and bolster the government. They want to show the world that things are not as bad as the gossip suggests. They have the best of intentions – to encourage investors, improve the morale of the government's supporters, and dismay its opponents. Gradually they develop the habit of hiding the bad news, or *'massaging the statistics'* to make things look better than they really are. Only the good news must be allowed to get out.

They dare not tell Uncle what they are doing. It is, they convince themselves, only for his good, and the good of the cause. With his well known standards of strict honesty and openness, he would probably veto their actions. He is one of the old generation, they tell themselves. He has grown tired and inflexible. He doesn't really understand the new realities. For the good of the country, they are convinced they must be *'economical with the truth'*, even in their reporting to Uncle.

Conditions in the country get worse. The leaders are all, like Uncle, cut off from the people. They no longer know what is really happening or how the ordinary citizens see things. Their assistants give them figures which show production rising, targets being met, welfare services expanding. Occasionally something comes to their attention which makes them wonder. But they have no reason to disbelieve the reports and no way to check for themselves. Uncle decides to take a *'walk-about'* in the city to see for himself. His decision is vetoed by *'Security'*. He decides to inspect an important factory where there are hundreds of workers. *'Security'* cleans it up beforehand, repaints it, and advises the workforce in advance what Uncle would like to be told. When he passes through the streets on official occasions, *'Security'* lines the route with cheering school-children, and with adults who cooperate because it means a day off work on full pay. And anyway, they really like and respect Uncle.

End in Crisis

A process which no one has planned has taken charge of events. It seems to be happening like a machine with no one in charge. Everything is being changed, without any apparent decision. Uncle is being changed. He is no longer deciding his own course of action or following his own policies to carry out changes in society. He has become a man manipulated by forces outside of his will and beyond his control. Somehow his good intentions and his personal integrity have not been enough. Things have worked out in a way he never intended or expected.

There are three essential features of this allegory. They need to be borne in mind if it is to shed any light on our own times. First, that the leader has remained honest and well-intentioned throughout, without any selfish ambitions. Second, that the creeping corruption has not been of his own making. The conditions for it have been created by those around him. Third, that all concerned have acted in what they genuinely believed to be the best interests of the people and the state.

Corruption has not been the result of any flaws in Uncle's character. It has not been deliberately advanced by corrupt people with anti-social motives or secret personal aims. It has crept up almost unnoticed, through the good intentions of basically good people. It has developed in an atmosphere where everything has been concentrated on immediate short-term expedients, and no attention has been paid to long-term consequences and end results.

This is the point of the Uncle story. It is an imaginary story. But it has been fashioned out of actual case histories of real lives and real political developments in various places in Eastern Europe. But every single episode in the story – up to the point of Uncle's entry into an office of state – could equally well be based on what is actually happening in the South African liberation movement today. What power does to Uncle in the story is precisely what we see prospects of power starting to do to our movement and our leaders now.

Towards the Future

We have no reason to believe that the Eastern Europe AP experience, first of crisis and then of fall, cannot possibly happen to our movement in due course when it reaches the seats of power. If Uncle's story comes from our own experience, how would the story be likely to continue

in the coming period? Again, we can learn from Eastern Europe, which can provide several different story lines. They differ in their detail. But history shows that they all end in much the same place.

Take this for example: The opposition to the government grows stronger and more active. Some people are said by 'security' to be planning a coup or uprising. The security chief might be right, or they may be exaggerating the danger, they may just be building up a case for demanding a larger departmental budget and wider power. Who knows? Who, even in the government, can any longer distinguish between what is being alleged by officials and what is actually happening in the country? Dare any minister oppose the security department demand for a state of emergency? Detentions without trial? Suppression of opposition parties or newspapers? Should public meetings be prohibited and new elections postponed indefinitely? Should strikes be illegal to protect the supplies of food and power? The ministers are not reckless men. They know the whole future of the country depends on their decision. If they could trust their own instincts against whole weight of security's assessment, they might turn down the demand for emergency powers. But if their judgment should be wrong, all will end in disaster. They decide to be safe rather than sorry. Reluctantly they decide to accept special security measures.

Democracy is buried and replaced with rule by emergency decree. This marks the end of all the high idealism with which the people's government set out. There are of course many other possible story lines. But the end tends always to be the same.

This story is not either totally factual or totally fictional. It is not the story of a particular party. But it is a fair example of the real tragic story of socialism's decline and fall almost everywhere in Eastern Europe. It contains within it the kernel, perhaps the most important element in that decline. The kernel is the separation of the leaders from the people, which can come with power. That separation lays open even the most honest and dedicated comrade to irresistible pressure in high office. It explains, in part at least, what they do and what they fail to do.

Whose fault?

In our story, there could be many unknowns. Was uncle perhaps aware all along of what was happening? Did he just grow too old to understand or to care? Was he honestly convinced that

the information his aides fed him was true? Did he honestly believe that a diet of good news and a display of confidence true or false was the only way to ensure survival of the people's government? One can fill in whatever answers one chooses: that he must have known things were going wrong, but was unwilling to risk his office, his reputation or his safety by saying so. That he came to value the comfort and security of a minister's way of life more than his personal moral code. Or that he genuinely believed that preserving public good, and anything done to that end was therefore morally right. It is also possible to argue that, in reality, the debased standards of all around him finally debased the character of uncle too. Whatever explanation one chooses, the simple truth cannot be altered. He helped to bring the new society into disrepute and ultimate collapse. Honest uncle, incorruptible uncle has been corrupted in power, and corrupted by power.

In everyday speech, people would say of uncle that '*power went to his head*' as though it were something like a hat to be put on or taken off at will. But power is not so simple or simply taken on and simply discarded. Power in politics is not just the exercise of command. It is also a discipline imposed or perhaps imposing itself on the individuals who wield it. That discipline extends to include their way of living, thinking and working, and their rites of behavior, conduct and deportment. Political power prescribes what is acceptable in dress, talk, diet and lifestyle in high places. The codes are upheld by tradition and by custom. They are blocked by the threat of isolation or of sanctions against transgressors. They are policed by the fraternity of power holders who separate themselves from the rest of society in much the manner of an army or police force.

The behavioural codes of power are passed on from generation to generation. They are an inheritance from the past, mainly from the pomp and pageantry of feudalism. They were set in place for a precise purpose: to demonstrate clearly who ruled society, and who did not, where there was power, and where the obligation to obey. The status of kings and courtiers with power was publicly proclaimed through sometimes magical, sometimes threatening or myth laden symbol like crowns, orbs, sceptres. Always behind the symbol there lurked the back-up instruments of power, the armed and uniformed troops.

The more deeply state power enriched itself, the more the trappings of that power extended. They

came to include ceremonial troops and ceremonial transport, special places of power with special guards, special rituals for how the rulers were to be addressed and special attendants with special privileges of approach, and so on. But the most important trappings in our times are those which unite all who have some share of power, against all those who do not.

Special privileges reserved for the power-holders weld them into a fraternity. Special barriers erected by the fraternity prevent outsiders from slipping in and claiming a share of power. These special privileges and special barriers make up *'the trappings'* of power. Power today is inseparable from its trappings. It is the trapping which kept the policy makers separate from the people and the leaders from the led. It is the trappings which maintain the whole edifice of special privileges and lifestyles which surround all those who share in political power. These trapping however archaic and incongruous they may appear are not just quaint relics of history.

They underpin existing power relations and insulate them from forces of change. The trapping are there to maintain the status quo.

Our own political programme, the **Freedom Charter**, illustrates our belief that the ending of white supremacy in South Africa requires that the total overturn of the status quo. Our cause cannot be served by maintaining any part of that status quo – least of all the existing apparatus of state. Since the trappings of state power serve to uphold the status quo, the trappings of protocol and privilege which surround apartheid power must be essentially hostile to our cause. They are incompatible with our aim of transforming society to ensure equal rights for all, and contradict the democratic spirit of our programme.

We do not wish to suggest that the only cause, or even the most important cause, of failure in Uncle's allegorical government or in Eastern European socialism should be ascribed to the trappings of power with which they were combined. But the case histories nevertheless provide much evidence for the conclusion that the existing trappings of power are incompatible with the social transformation of society. In Eastern Europe, attempts were made to take over trappings of capitalist power, complete with all the diplomatic usages and privileges, and use them to serve the cause of socialist power. The results have been too disastrous for us to ignore.

The disaster should have been predictable. Socialist theory has always noted that transition from capitalism to socialism cannot be made by transforming the economy alone. It has always stressed that it is equally necessary to change the whole superstructure of the system.

Eastern European socialists generally followed that teaching. They made sweeping changes on a wide canvas – some critics say too wide. They changed institutions and customs of all kinds – parliaments, administrations, armies, factory management, schooling, religion and social relations. They acted in the conviction that all former social institutions had to be changed if they were to serve the building of socialism.

But surprisingly not in respect of the trappings of power and its diplomatic modalities. These were simply left unchanged. Whether this was because they were simply overlooked, or whether because they were given a low priority until they were too well established to be altered, or whether they were deliberately preserved is unclear. Whatever the reason, the fact is that trappings were not changed. Instead – like Uncle's comrades – they kept the old trappings, worked within them, and were undermined by them. They may well now see some need to re-examine their practices in this matter, as we made need to examine ours.

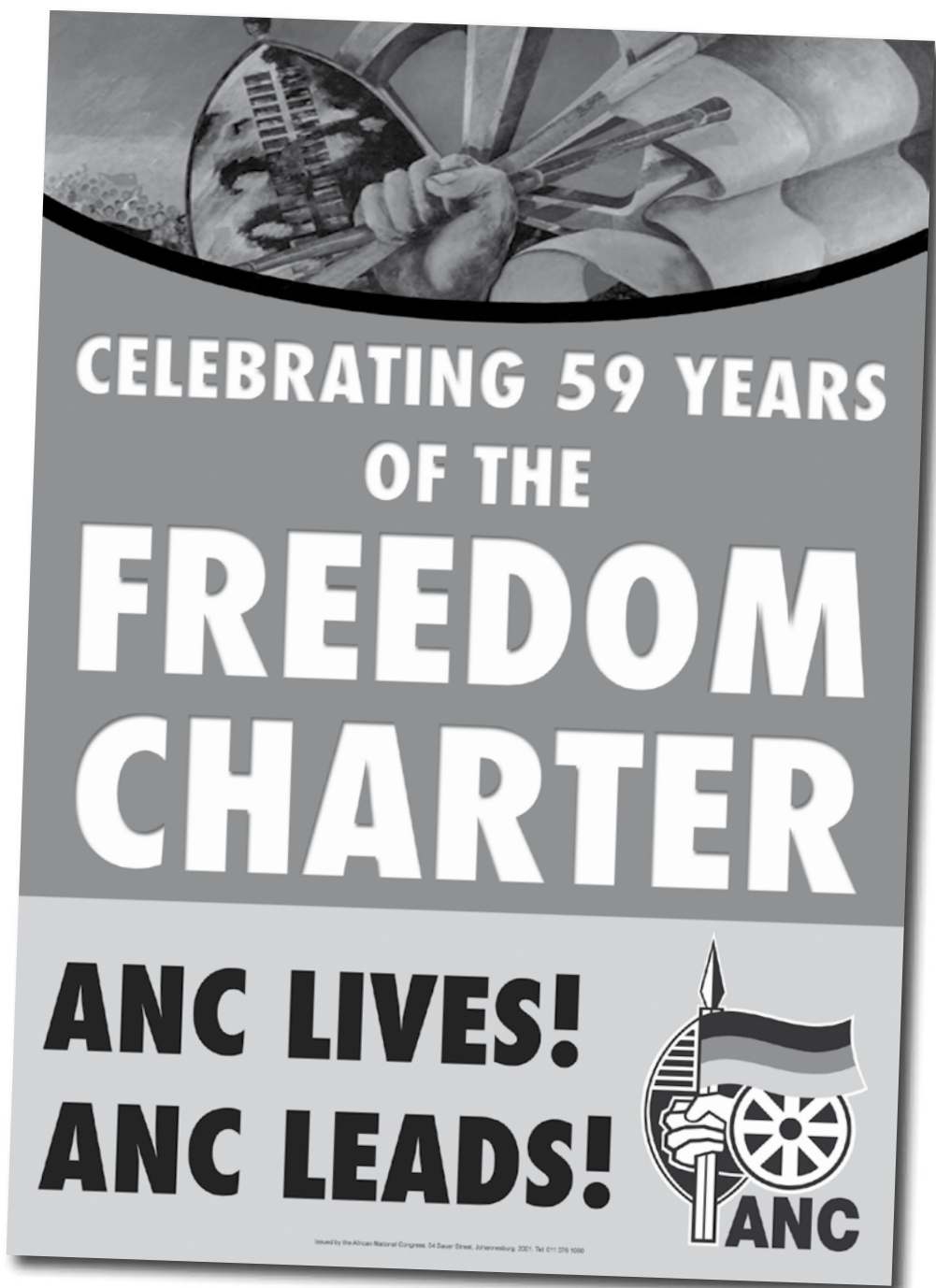
We dare not wait until our leaders occupy the seats of power before we find alternative ways. We have the opportunity now to debate and reach consensus about alternative modes of behaviour and conduct which would be suitable for our own leaders in high places. Such alternatives might well offend against the existing behaviours of the hide-bound ranks of today's great and powerful. No matter. The offence given by such alternatives is less important than our need for new ways which will be appropriate to a new society based on social justice and equal rights. And inimical to corruption in high places. A public campaign by our movement against the entrenched trappings of power would probably be the world's first.

That should not deter us. We have shown the world something new before now, as for examples in the building of an enduring alliance of the communist party and national movements with a unified armed force. We can perhaps do so again. This may sound unduly presumptuous. We are a fairly small movement from a relatively small country. But we have advantages which those who reached power in their

earlier times did not. We can benefit now from the examples of those who have not tackled the problem, in Eastern Europe, and in newly independent Africa. Their experiences demonstrate the corrupting consequences of simply taking the trappings of capital power over into a new social order. Thus we have the chance to seal off in advance the corridors to corruption, where others tried and failed. Or simply never tried at all. It is a challenge which calls for our utmost seriousness. It demands that we debate the mat-

ter openly, without personalities, recriminations or personal ambitions. The task is not less than setting the world of liberation and socialism on a new path, where dreams of power without the corrupting restraints of the old order can be made real. Real people's power.

African Communist is a journal of the South African Communist Party. This article was original published in the 1st Quarter 1991 edition.



Why inequality matters

South African trends and interventions

Reducing inequality is in the interest of both the poor and the rich, writes JOEL NETSHITENZHE. It is critical to improving the poor's conditions of life and in creating a better macrosocial environment for sustainable businesses.

MUCH of the recent discourse on the global political economy has focussed on income inequality across the world. This is impelled by the evidence of growing inequality within most societies, accompanied by increasingly large packages of corporate executives.

Part of the discourse relates to issues of fairness in societal relations. However, it has also been foregrounded by the real experience of the majority in most societies who are experiencing a declining share of national income, often accompanied by declining or stagnant real wages. This has worsened since the advent of the global economic crisis in 2008. Many recent studies examine income inequality against the backdrop of its impact on economic growth and on indicators of well-being among the rich and poor alike. As such, how inequality negatively affects national welfare, including social cohesion – and therefore the need to tackle it systematically – is a matter that is assuming prominence in global public policy.

This matter is of great interest to South Africa, given its levels of income inequality which have not changed much since the attainment of democracy. Besides this being a blot on the humanist outlook of the post-1994 dispensation, the racial manifestations of income inequality speak to the slow progress in eliminating the social fissures spawned by apartheid colonialism. A critical element of the experience since 1994 is the impact of state programmes in addressing

other manifestations of inequality such as access to assets and social services, and how such progress impacts on and is in turn affected by income inequality.

South Africa: Distilling A Nineteen-Year Experience

Income derives from employment or self-employment, both in the formal and informal sectors. Since 1995, real economic growth in South Africa has averaged just over 3% a year. In this period, about 3.4 million net new jobs were created. During the phase of rapid economic growth (2003-2008), “the number of jobs created started to outstrip the growth in the labour force. The official unemployment rate – which peaked at 31.2% in March 2003 – dropped to 23% in 2007, despite the fact that the economic upturn had encouraged more people to look for work”.¹ Between 1996 and 2011, growth in per capita income was roughly 1.16 per annum.² Since the advent of the global economic downturn, the unemployment rate has ticked to just above 25%.

All things being equal, this means South Africans got richer in real terms over 15 years. But critical in understanding trends in any society is the functional distribution of national income, or how such income is shared among various strata in society – in the words of David Ricardo, the fundamental question of political economy.

From work done by Justin Visagie³, while in 1993 79.6% of the population received income of less



than R1,400 per person per month (after tax in 2008 prices), this income group had declined to 75.9% of the population by 2008. Those earning between R1,400 and R10,000 had increased from 19.3% of the population to 21.3%; while the proportion of the population earning above R10,000 had increased from 1.1% to 2.8%.

It is however when we examine the share of total income among these groups that the stark trends in income inequality come out in bold relief. The income share of those earning over R10,000 increased from 17% to 32%; while that of the rest decreased from 83% to 68%.

If this were to be disaggregated in racial terms, the share of Africans earning above R10,000 grew by over 10-times from 19,000 to 257,000, while their share of the 'middle class' (between R1,400 and R10,000) increased by some 2.4-times to become the majority in this segment. Whites earning above R10,000 doubled to about 888,000.

What message do these and related data communicate?

First, it is that income poverty has been declining since the advent of democracy. Poverty headcount at R524 per person per month decreased from 53% of the population in 1995 to 49% in 2008. This is a consequence both of larger numbers of employed people and access to social grants, the take-up of which has increased from 2.4-million in 1996 to 15.5-million in 2012.⁴

Second, functional distribution of national income has worsened. The share of national income resorting to the richest has grown massively such that today, just over 50% of national income goes to the richest 10% of households "while the poorest 40% received just over 5% of income".⁵

Third, the change in the share of national income has not favoured the 'middle class', as this has declined from 56% in 1993 to 47% in 2007, despite the fact that their proportion of the population increased by some 2%.⁶ The per capita expenditure growth incidence curve evinces a U shape, reflecting the impact of social grants among the poorest sections of society and greater share of income among the highest earners.

Fourth, according to StatsSA's Labour Market Dynamics in SA (2011), being employed does not, on its own, guarantee an escape from poverty. The bottom 5% of those employed earned about R600 per month; half earned R3,033 and below; while the top 5% earned R21,666 per month. As with rates of employment, these figures show a bias against low educational attainment, rural location and women.

Fifth, it is these trends that account for high levels of income inequality in South African society. The Gini coefficient has been hovering in the mid to late 0.60s over the past 20 years. By this measure, currently South Africa is placed at the second highest level of income inequality in the world.

*Rising income
inequality is not
unique to
South Africa.*

Sixth, using AMPS data, the inequality measures show a declining trend between races, while it has shown a rising trend within races. Further, even between race groups, inequality *“has tended to increase during the ... period of high economic growth. In other words, after the base changes with the elimination of apartheid, it seems that those historically well-off, in terms of income and assets, have taken better advantage of the benefits of growth”*.⁷

Seventh, inequality in South Africa's labour market is aggravated by the skills shortages which do add a premium to salaries; while on the other hand, the oversupply of unskilled workers pushes wages down at the lower end.⁸

Global Trends

Rising income inequality is not unique to South Africa. The International Labour Organisation summarises these trends thus: *“During much of the past century, a stable labour income share was accepted as a natural corollary or ‘stylised fact’ of economic growth. As industrialised countries became more prosperous, the total incomes both of workers and of capital owners grew at almost exactly the same rate, and the division of national income between labour and capital therefore remained constant over a long period of time, with only minor fluctuations... An outpouring of literature has provided consistent new empirical evidence indicating that recent decades have seen a downward trend for the labour share in a majority of countries for which data are available.”*⁹

What are the details in some of this literature to which the ILO refers? Tracing the recent evolution of functional distribution of income in the USA, economist Paul Krugman in 2002 observed: *“Over the past 30 years most people have seen only modest salary increases: the average annual salary in America, expressed in 1998 dollars (that is, adjusted for inflation), rose from \$32,522 in 1970 to \$35,864 in 1999. That's about a 10 percent increase over 29 years - progress, but not much. Over the same period, however, according to Fortune magazine, the average real annual compensation of the top 100 CEO's went from \$1.3 million - 39 times the pay of an average worker - to \$37.5 million, more than 1,000 times the pay of ordinary workers.”*¹⁰

This trend has been much in evidence in most of the developed countries. The Gini coefficient among members of the Organisation for Economic Co-operation and Development (OECD)

has on average increased from 0.28 in the mid-1980s to 0.31 by the late 2000s.¹¹ Household incomes of the top 10% in these countries grew faster than those of the poorest 10%: in UK it was 0.9% per year for the poorest and 2.1% for the richest; 0.5% and 1.9% respectively in the US; and 3% and 4.5% in Australia.

“With very few exceptions (France, Japan and Spain), wages of the 10% best-paid workers have risen relative to those of the 10% least-paid workers... The highest 10% of earners have been leaving the middle earners behind more rapidly than the lowest earners have been drifting away from the middle.”

This ‘trickle-up effect’ is illustrated by the relative magnitude of executive pay. In 1998, the chief executive pay of FTSE 100 companies *“was 47 times that of average employees... but had risen to 120 times by 2010”*.¹²

At least in the US, this seems to have intensified since the advent of the global economic crisis, and during the tentative recovery. The US Census Bureau records that median household income fell in 2012 and *“it is now 8.3% below its pre-recession peak in 2007... Median incomes are still declining even though the economy is almost 5% bigger than its pre-recession peak...and more than 10% larger than its trough in 2009 because most of the gains have gone to those with the highest incomes... According to separate figures produced by economist Emmanuel Saez, at the University of California, Berkeley, the incomes of the top 1% of the population rose by nearly 20% in 2012, whereas the incomes of the other 99% rose by just 1%.”*¹³

The decline in the labour share of national income has also happened in a period in which, almost always, there is *“a growing discrepancy between the respective growth rates of average wages and labour productivity... A publication by the US Bureau of Labour Statistics, for example, shows that the gap between hourly labour productivity and hourly compensation growth contributed to a decline in the labour share in the United States (Fleck, Glaser and Sprague, 2011)... Since 1980 hourly labour productivity in the non-farm business sector increased by around 85%, while real hourly compensation increased by about 35%”*.¹⁴

Combined with these trends are also issues of gender, age and location. For instance, according to data collected for the Financial Times of 16 September 2013, *“[b]y the age of 27, men earn on*

average 22% more than women with equivalent qualifications... The main reason ... is that fewer women are promoted to senior management positions in their 20s than men". Commenting on the 'youth unemployment bomb', Peter Coy of Bloomberg BusinessWeek asserts: "...[A]n economy that can't generate enough jobs to absorb its young people has created a lost generation of the disaffected, unemployed, or underemployed – including growing numbers of recent graduates for whom the post-crash economy has little to offer...

"While the details differ from one nation to the next, the common element is failure – not just of young people to find a place in society, but of society itself to harness the energy, intelligence, and enthusiasm of the next generation".¹⁵

Explanatory Hypotheses and Counter-Intuition

A number of hypotheses have been proffered to explain these trends. Each one of them does have an element of truth; but, alone would not sufficiently clarify the issues.

- **Globalisation and trade:** manufacturing has shifted to low-wage centres in East Asia and elsewhere resulting in imports of cheap goods in the developed countries.
- **Union density:** in most of the countries where inequality has worsened, the level of organisation of workers has declined.
- **Skills-biased technological change:** especially with the emergence of ICT, there is higher demand for highly-skilled and educated workers.
- **Global financialisation:** the emergence of corporate governance systems that emphasise maximisation of shareholder value and aggressive focus on returns such as private equity funds, hedge funds and institutional investors has put pressure for the 'trickle-up'.
- **'Superstar' hypothesis:** competition in modern economies assumes the form of tournaments where the winners (as in the entertainment business) are richly rewarded.
- **Mine-bigger-than-yours:** executives in large companies, wherever they may be located, seek to outdo their peers; and because of their mobility, pressure is exerted on boards and shareholders to ratchet up their packages across the world.

Paul Krugman falls some of these hypotheses: "[A]s more evidence has accumulated, each of the hypotheses has seemed increasingly inadequate. Globalisation can explain part of the relative decline in

blue-collar wages, but it can't explain the 2,500 per cent rise in CEO incomes. Technology may explain why the salary premium associated with a college education has risen, but it's hard to match up with the huge increase in inequality among the college-educated, with little progress for many but gigantic gains at the top. The superstar theory works for Jay Leno, but not for the thousands of people who have become awesomely rich without going on TV...

"...it's a matter of corporate culture. For a generation after World War II, fear of outrage kept executive salaries in check. Now the outrage is gone. That is, the explosion of executive pay represents a social change rather than the purely economic forces of supply and demand. We should think of it not as a market trend like the rising value of waterfront property, but as something more like the sexual revolution of the 1960s - a relaxation of old strictures, a new permissiveness, but in this case the permissiveness is financial rather than sexual."¹⁶

To this mix should be added another hypothesis, which is not unrelated to union density. This is that the period during which the permissiveness of inequality grew coincided with the weakening and collapse of the Soviet Union and other "socialist" countries that, at least at the level of social policy, pursued a more equitable sharing of the benefits of economic activity. Whatever weaknesses the system in these countries had, all-round competition between them and the market-based economies served as a restraining influence on profligacy. Related to this, the political Left in the advanced countries, including social-democratic parties, was much firmer in its focus on social equity and had better organisational power and appeal, as a counter-balance to the rapacious licence of unbridled market economics.

The experiences of three countries that reflect instructive nuances, and in one case, some counter-intuition does stand this discourse in good stead. These are China, Germany and Brazil.

CHINA: Poverty-reduction and inequality

Among the major global advances of the past 30 years has been the lifting of some 200 million people from abject poverty in China. However, this has been accompanied by growing inequality, with the Gini coefficient having risen from near-zero to 0.474 in 2012. Researchers at the Southwestern University of Finance and Economics in Sichuan province estimate the Gini at 0.61, which would place China at the top end of income inequality across the globe. As such, the government has introduced an income distribu-

tion plan aimed at lifting more people from poverty, including the ratcheting up of the minimum wage to 40% of average salaries.¹⁷

GERMANY: Low unemployment and inequality

In terms of the low unemployment rate, Germany is the envy of most of its OECD peers. The 'jobwunder' is a product in part of its youth training programmes but also the labour market flexibility that was aimed at absorbing as many of the unemployed as possible. However, this obscures another reality: the country "now has the highest proportion of low-wage workers relative to the national median income in Western Europe". The Federal Employment Agency acknowledges that the number of temporary workers increased almost three-fold in the past 10 years. At the same time as atypical employment, including UK-type 'zero contracts', increased over the past 20 years, real monthly wages remained flat, while productivity increased by about 22.6%.¹⁸ As such, income inequality has been ticking up; and little wonder that a minimum wage was one of the central issues in the 2013 elections and negotiations around a coalition government.

BRAZIL: The counter-intuition

Unlike most countries, Brazil has managed over the past ten years to reduce income inequality. It is estimated that the Gini coefficient was reduced from above 0.60 in the early 1990s to the mid-0.50 by the late 2000s. In the 2000s, the income of the poorest 20% increased at about 6.3% per year while that of the richest 20% increased by only 1.7%. This compares with China which had 8.5% and 15% respectively; India with 1% and 2.8%; and South Africa with 5.8% and 7.6%.¹⁹ In Brazil, a combination of factors including the expansion of job opportunities and the introduction of a minimum wage, expansion of access to social grants, regional economic interventions as well as increased consumption demand played a central role. It is subject to debate whether such interventions are sustainable over a long period of time, given the economic and social difficulties that Brazil is currently experiencing. Or are other factors responsible for recent developments: among others, a creaking infrastructure, heightened expectations of the fat years, corruption and specific issues such as fiscal allocations for transport and education?

Does Inequality Matter?

Common sense has it that inequality is bad for social cohesion. Extreme inequality is morally

reprehensible. But the insidious impact of this runs much deeper than issues of taste, sensibility and morality.

In their book, *The Spirit Level: Why Equality is Better for Everyone*, Richard Wilkinson and Kate Pickett set out to demonstrate the impact of inequality on various measures of human development and wellbeing. Comparing various countries across the world, they come to the conclusion that drug use, mental illness, life expectancy, educational attainment, teenage births, violence and prison population are worse in countries with higher levels of income inequality – even in instances where these countries are at the same level of development. The contrast in this instance would apply for example to the US and UK – which are more unequal – compared to the less unequal Sweden and Japan.

Having done an analysis across these and other countries, they come to the startling conclusion that: "The relationship between inequality and the prevalence of health and social problems... suggest that if the United States was to reduce its income inequality to something like the average of the four most equal of the rich countries (Japan, Norway, Sweden and Finland), the proportion of the population feeling they could trust others might rise by 75% – presumably with matching improvements in quality of community life; rates of mental illness and obesity might similarly each be cut by almost two-thirds, teenage birth rates could be more than halved, prison populations might be reduced by 75%, and people could live longer while working the equivalent of two months less per year."²⁰

What then about the distinction between correlation and causality and the direction of such causality? Wilkinson and Pickett argue that for each of the social ills, they tested other possible causes and on aggregate the common factor was inequality. Further: "The relationship between inequality and poor health and social problems are too strong to be attributable to chance; they occur independently in both our test-beds; and those between inequality and both violence and health have been demonstrated a large number of times in quite different settings, using data from different sources....we showed that it was people at almost all income levels, not just the poor, who do worse in more unequal societies. Even when you compare groups of people with the same income, you find that those in more unequal societies do worse than those on the same income in more equal societies."²¹

But it is beyond social indicators that this challenge manifests itself.



According to a World Bank study, it is possible to achieve pro-poor growth and pro-growth poverty reduction.

In an *IMF Discussion Note* of April 2011, Andrew Berg and Jonathan Ostry argue that inequality can be a constraint on economic growth: "...many of even the poorest countries have succeeded in initiating growth at high rates for few years. What is rarer – and what separates growth miracles from laggards – is the ability to sustain growth. The question then becomes: what determines the length of growth spells, and what is the role of income inequality in duration?"

*"We find that longer growth spells are robustly associated with more equality in the income distribution. For example, closing, say, half the inequality gap between Latin America and emerging Asia would, according to our central estimates, more than double the expected duration of a growth spell."*²²

The World Bank asserts the correlation between poverty and economic growth arguing, similarly, that Latin America's pedestrian average economic growth may be a consequence of high levels of poverty.²³ Among other reasons, they argue, this is because poor people have limited access to financial services; they attend low-quality schools; and they are more risk averse. Inversely, the poor have a high propensity to consume, which has many positive spin-offs for various sectors of the economy.²⁴

*"[F]or the average country, a 10-percentage-point increase in income poverty lowers the growth rate by about 1 percent, holding other determinants of growth constant... [A] 10-percentage-point increase in income poverty reduces investment by 6-8 percentage-points of gross domestic product (GDP) in countries with underdeveloped financial systems."*²⁵

It can be argued that elements of these trends do apply to South Africa, though there certainly are other deeper structural problems responsible for the weak endurance of its high economic growth periods. Similarly, South Africa's macrosocial indicators such as violent crime, poor

educational performance, teenage pregnancies, low levels of social trust and the large prison population per capita do correspond with trends in the more unequal societies, particularly Latin America.

And so, reducing inequality is in the interest of both the poor and the rich. It is critical to improving the poor's conditions of life. It is also important in creating a better macrosocial environment for sustainable businesses and reasonable profit-generation. High levels of inequality, on the other hand, undermine prospects for stability and the possibility of forging a social compact to launch onto higher and sustainable rates of economic growth. It can be argued that the progress attained in South-East Asia (and other developmental states) was made possible in part by low levels of inequality and the sense of sharing and sacrifice, particularly when they launched onto higher growth trajectories some 40 years ago.

Before venturing into the panoply of policies and programmes that are required to deal with inequality, let us briefly examine other manifestations of inequality, beyond matters pertaining to income. This is confined to South Africa's experiences over the past 19 years.

Inequality and the Social Wage

According to Amartya Sen: "[W]e have to recognise that deprivation with which we have reason to be concerned is not just the absolute lowness of income, but various 'unfreedoms', varying from hunger and prevalence of preventable or curable illness (and even premature mortality) to social exclusion... Income is but one determining influence among many others in dealing with deprivation."²⁶

Indeed, poverty and inequality – and their opposites – cannot be measured merely through the agency of income. Access to basic services

such as housing, water, electricity, as well as quality education and health, is fundamental in describing the quality of the human condition. As such, measures of non-income inequality do come in handy in assessing the overall improvement or otherwise in national welfare.

The interplay between income poverty and poverty in relation to community assets is perhaps obvious. To illustrate: Poor households with access to jobs have to use their incomes for basic needs such as food, water and electricity. They also have to allocate resources for education and health. If, for instance, they have no access to potable water and rely on dirty streams and other sources, this will affect their health. As such, their meagre income is discounted by poor access to water; it is expended in accessing health facilities – thus worsening the actual experience of poverty and inequality.

Inversely, if a poor household does not have access to employment, and yet is provided with electricity and subsidised housing, two dynamics tend to play themselves out, as shown in concrete South African experience. Firstly, statistics on usage of electricity consistently show a gap between households which use electricity for lighting and for cooking (84.7% and 73.9%, respectively in South Africa).²⁷ Besides the fact that such homes may not afford electrical appliances, they are forced to use electricity sparingly to avoid the bills. Secondly, many incidents have been reported of beneficiaries of subsidised housing selling or renting out these houses and reverting to informal settlements for accommodation. This may in part be a result of the fact that some of the settlements with subsidised housing are located too far from areas of economic opportunity; and/or that some of the beneficiaries may in fact be migrants with formal housing in their rural areas of origin. But an element of this is simply the ingenuity of the unemployed using the assets acquired to earn an income.

Thus interrogating inequality should include an assessment of the provision of the social wage to tackle, in the words of Sen, the “*various ‘un-freedoms’*” the poor experience. How does South Africa fare in this regard?

Starting off with income redistribution by the state, besides progressive taxation, the government has massively expanded access to social grants. The process of racial equalisation, which included a reduction in the pre-1994 amount of the child support grant, has meant that state expenditure on social grants has hovered around

3.4% of GDP. This has ensured sustainability of the expenditure and, combined with inflation-based increases and the fact that the categories of beneficiaries have now reached saturation, this should be sustainable going forward.

Assistance to the poorest households has included reprioritisation of educational expenditure such as the introduction of no-fee-paying schools, now at 60% of public schools;²⁸ indigence programmes at local level which include provision of a basic minimum of water and electricity free of charge; and free access to public health facilities (for households with income of less than R50,000 per annum) to which will be added a form of national health “insurance” in the medium-term.

Besides these interventions, the following improvements have been made in relation to community assets:²⁹

- The number of households in formal dwellings has increased from 64% in 1996 to 77.7% in 2012, with some 3.4-million subsidised houses built since 1995/6.
- Access to potable water (‘RDP standard’ of a pipe within 500m of dwellings) has improved from around 65% in 1995/6 to 95.5% of households.
- Provision of sanitation has improved with about 52% of households having such access in 1995/6 to 83.4% in 2012.
- With regard to electricity, the percentage has increased from around 52% to 76.5% in the same period (these administrative data record a lower figure than Census 2011).

Among the failures in this period, the redistribution of land has been the weakest, with just over a tenth of the 2009 target of 30% of agricultural land redistributed having been achieved by 2012. In addition to this are such issues as transferring legal title to new and old housing stock in poor areas; as well as woeful quality of health services, poor education infrastructure and teaching, and intermittent flow of water in many disadvantaged communities.

Overall, though, there have been discernible improvements in non-income welfare since 1994. A study on this issue by Haroon Borat and Carlene van der Westhuizen³⁰ shows that government service provision has been pro-poor resulting in a decline in non-income poverty rates as well as in non-income inequality. They show that the Gini coefficient based on the Asset Index declined from 0.32 in 1993 to 0.24 in 2004. How-

ever, with regard to housing, for instance, account has to be taken of the fact that the wealth effect during years of high growth tended to favour those who are well-off.

Identifying Some Interventions

The dynamics outlined above, as they manifest both in South Africa and other parts of the world, do already suggest the variety of interventions required to deal with inequality. A few such interventions are listed below, more as suggestive indications of the combination of measures that would start addressing the challenge. Many of the issues are more complex than suggested in this brief treatment; but the proposals can serve as a basis for more systematic interrogation of the details.

Economic growth

Arguing against inequality is not to suggest equal sharing of poverty. Rather the challenge needs to be tackled in the context of high rates of sustainable economic growth. The issue is what kind of growth and how the benefits are shared in the context of improving productivity. As the World Bank study referred to above argues, it is possible to achieve pro-poor growth and pro-growth poverty reduction. This should entail, among others, a focus on economic sectors in which a country has comparative advantages, but with emphasis on labour-intensive sectors that are able in the short- to medium-term to absorb the mass of the unemployed. There may be instances where short-term pro-growth policies have a negative impact on the

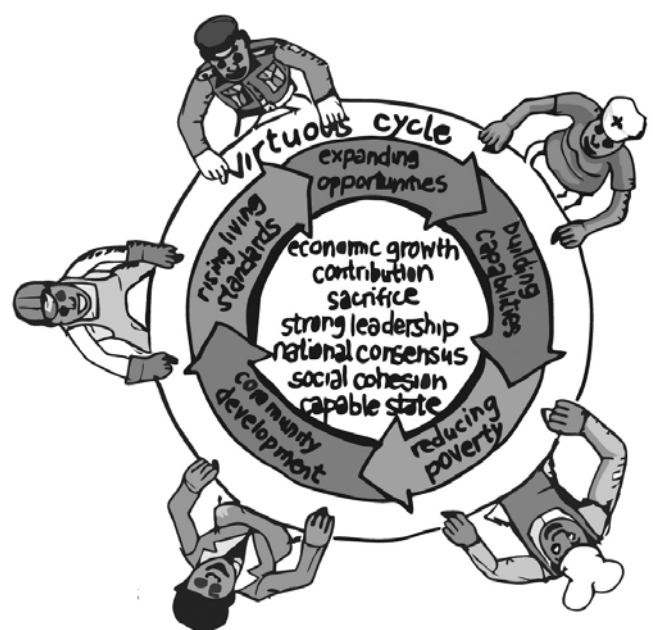
poor – in such instances, there should be direct assistance to the poor and SMMEs. Fiscal measures such as a youth employment incentive and business set-asides for youth and women can help launch the marginalised into meaningful economic activity.

Education and skills training

Education and skilling are among the most effective measures to tackle inequality. However, as the global phenomenon of youth marginalisation shows, such interventions should be combined with other policies to ensure economic growth and the opening of economic opportunities. Emphasis on improving quality should be in the areas of most need, among the poor, where ironically current poor performance and disruptions in South Africa conspire to reproduce poverty and marginalisation. This should be combined with vocational guidance and improvement of the formal and informal networks (social capital) that are critical to accessing opportunities. This will help break the cycle in which the poor experience lower, late and uncertain returns to educational attainment.

Employee Stock Ownership Plans

In addition to various measures aimed at sharing the benefits of companies' performance, serious consideration needs to be given to employee share-ownership in enterprises where they work. In the context of the Broad Based Black Economic Empowerment programme in South Africa, attention should be given to improving the weighting of this element. While this mea-



Reducing inequality is in the interest of both the poor and the rich. It is critical to improving the poor's conditions of life.



◀ **Good story:**
Image of "Good Story to Tell" poster

of taxation, the legitimacy of the state – informed among others by its efficiency and ethical conduct – is critical. Such a policy should include a minimum wage (as distinct from current sectoral wage determinations) set at a level which affords workers a living wage. While there may be instances where mass absorption of the marginalised may dictate lower entry thresholds, such interventions should be temporary. Research has shown that reasonable increases to the minimum wage do not necessarily lead to job losses; but that compliance in vulnerable sectors is often poor.³¹ As such, policy should seek progressively to minimise atypical work; and introduction of a minimum wage should be combined with requisite monitoring capacity to obviate breaches.

Reducing the cost of living of the poor

Besides improved earnings, the issue of the cost of living is fundamentally important. It is a matter of course that the inflation rate experienced by workers and the poor is often much higher and more volatile than that of the rich. This applies to such basic needs as food, transport and administered prices (e.g. electricity, water, municipal rates, education and health) on which the poor spend the bulk of their income. Many of these elements of the inflation basket, particularly administered prices, can be managed through appropriate interventions such as volume-based sliding-scale pricing and the floor of services for which charges are not levied. While complex, the issue of food pricing can also be tackled through management of the value chain, taxation, incentives, household food production and other measures. Changing spatial settlement patterns is also fundamental to reducing the cost of transport for the poor.

Added to these measures should be the panoply of social wage interventions identified above, with the necessary quality and efficiency of the public service.

South African society should also raise its level of policy and political discourse, and ensure that contestation is around matters of substance rather than a huckster's paradise where obfuscation – reflected in thinly-veiled attempts to defend the status quo and shadow-boxing among elites who mouth leftist slogans – confounds the real issues.

The maladies that attach to the conduct of politics, such as the so-called '*sins of incumbency*' where the new political elite of the democratic

sure does have its complications, many of them can be addressed through appropriate representation in decision-making structures, financial education, and the building of trust between workers and their representatives and between these and the company boards and executives. This approach should also be considered in a more systematic way in relation to communities where enterprises in sectors such as mining and farming are located.

Incomes policy and minimum wage

Given that one of the critical drivers of inequality across the globe is the '*trickle-up effect*', reflected in large and ballooning emoluments of senior executives of large corporations, the challenge of inequality cannot be addressed without attending to this issue either through appropriate regulations or taxation or both. Quite understandably, this has to be managed in a manner that does not undermine incentivisation for good and exceptional performance by managers. But a national income policy should seek to regulate the gaps between ordinary workers and the middle strata on the one hand, and the senior executives on the other. With regard to the issue

dispensation and other sections of the emergent middle and upper strata rely on the state for rapid personal accumulation, cannot be divorced from the reality of income inequality. Combined with this, is the state of indebtedness of these strata as they seek to emulate the lifestyles of the 'established' white economic elite without the benefit of historical assets that the latter enjoy. 'The fear of falling' to lower socio-economic rungs, in a highly unequal society, generates conduct that can imperil the overall polity. At the same time, especially in developed countries, template-based economic solutions to the global economic crisis that ignore the impact of policies on the working people demand coherent articulation of alternatives. The role of the media in this regard is also quite critical.

Dealing with inequality is a responsibility of the political leadership through public policy; but it is a task that requires the involvement of all sectors of society. As such, all the role-players – government, business, labour and civil society – need to have leaders with the strategic acumen to identify the common interest and forge a social compact for mutually-beneficial economic programmes and humane social relations.

Joel Netshitenzhe is an ANC National Executive Committee member and Executive Director of the Mapungubwe Institute.

NOTES

- 1 NPC Diagnostic Document, p14
- 2 Extrapolated from Census 2011
- 3 Justin Visagie, Econ3X3, July 2013
- 4 Development Indicators (The Presidency), 2010/11 & 2011/12
- 5 Ibid, 2012
- 6 Visagie, Op cit
- 7 Towards a Fifteen Year Review, 2008 (The Presidency), p102
- 8 Servaas van der Berg, Workshop presentation, 19 March 2013
- 9 Global Wage Report, 2012/13, Part II, p41
- 10 Paul Krugman, For Richer, New York Times, 20 October 2002
- 11 Growing Income Inequality in OECD Countries: What Drives it and How Can Policy Tackle it?, Forum, Paris, 2 May 2011
- 12 MM&K and Manifest quoted by Brian Groom, FT 28/07/2011
- 13 Robin Harding, FT, 18 September 2013
- 14 ILO Global Wage Report, 2012/13, Part II, pp45/6
- 15 Peter Coy, Bloomberg BusinessWeek, 02 February 2011
- 16 Op cit
- 17 Simon Rabinovitch, Financial Times, 06/02/2013
- 18 FT, Adam Posen 04 September 2013, Chris Bryant 03 September 2012; ILO, ibid p46
- 19 Vinícius Rodrigues Vieira, Oxford Nuffield College, Managed Heterogeneity: The Politics of Accommodation in Brazil, India, and South Africa, 5 December 2011
- 20 The Spirit Level: Why Equality is Better for Everyone, Richard Wilkinson and Kate Pickett, p268
- 21 Ibid, p190 & p192
- 22 Inequality and Unsustainable Growth: Two Sides of the Same Coin?, Executive Summary, p3
- 23 World Bank Latin American and Caribbean Studies, Poverty Reduction and Growth: Virtuous and Vicious Circles, 2006
- 24 World Bank Latin American and Caribbean Studies, Poverty Reduction and Growth: Virtuous and Vicious Circles, 2006
- 25 Ibid, Chapter 1, pp7/8
- 26 Endemic insecurity and deprivation, Amartya Sen 2002
- 27 StatsSA, Census 2011
- 28 Eighty Twenty, quoted in Mail and Guardian, 27 September 2013
- 29 Development Indicators (The Presidency), 2011 & 2012
- 30 Haroon Borhat and Carlene van der Westhuizen, Shifts in non-income welfare in SA, 2006
- 31 Haroon Borhat and Natasha Mayet, Econ3X3, June 2013

Black Capitalists without Capital

In examining the situation of the black bourgeoisie and middle stratum, KGOSHI MAEPA argues that black business needs a new and comprehensive capital injection.

26

THERE is a promising rising black bourgeoisie and middle stratum in South Africa; both of which are objectively important motive forces of the National Democratic Revolution (NDR). They are also important pillars of the ANC's transformation agenda in both the political economy and in the building of a non-racial, non-sexist, free and democratic prosperous society.

The interests of the black bourgeoisie and middle strata coincide with at least the immediate interests of the majority, who are poor and economically marginalised. This is a contradiction that on its own requires a separate and detailed debate, and it is not this one.

A racially segregated economy

A recent report by an Oxford-based wealth consultancy firm, New World Wealth, indicates that Johannesburg had 23,400 millionaires at the end of 2012, followed by Cairo with 12,300 and then Lagos with 9,800. Four South African cities were placed in the top 10 of the rankings among their African counterparts and they have a combined figure of 48,800 individuals. The country topped the list of countries with the highest number of millionaires across the continent in 2012.

In fact, South Africa's increase represented combined growth of 9% from the year 2011. In the same report, Cape Town was ranked fourth with 9,000, Durban had 2,700 and Pretoria was ranked in eighth place with 2,500 millionaires.

A report by Moneyweb that was based on Boston Consulting Group (BCG) research reveals even more startling evidence. According to Moneyweb, as of May 2013, Johannesburg has now almost 28,200 millionaire households. The report indicates that a millionaire household is defined as one with financial wealth of at least \$1 million (which is around R10 million).

The Boston Consulting Group has also established that South African millionaire households basically consist of two groups. The one is traditional owners and entrepreneurs who have been in the country and in business for many years and have accumulated wealth over decades. These are mainly white and previously advantaged.

The second group is the evolving new elite, which includes some blacks. There is also a smaller group, which in the main consists of executives in large companies (which also includes a small number of blacks).



The Moneyweb report shows that there are basically two sources of wealth in South Africa and the one is constituted by newly created wealth. This wealth is directly linked to gross domestic product and savings rates, which are basically from income. All this shows that there is some progress but it is at a snail's pace.

In 1992 South Africa had 15 black directors of listed companies; in 1997 the number of black directors had increased to 98; and in 2003 there were 307 black directors on the boards of JSE listed companies. This number increased to 1,046 in 2012. This current figure is remarkable if we had to just look at the volume. However, if a deeper search is made, the promising picture changes drastically.

The recent *'Trailblazers Report'* extrapolates that black directors are still lagging behind and taking on more non-executive directorships positions. According to the report, the total number of JSE listed black directorships reported a 1,046 figure and within that figure, a total number of JSE listed black non-executive directorships reported a staggering 869 figure, which means 83% were non-executive director positions.

What all this means is that as much as non-executive director roles are important in companies, they can never be as critical as the one of the executive director. Non-executive roles tend to be that of an outsider looking in - rather than that of an inside employee.

Moreover, non-executives are part-timers in the main, with less experience of the core business than the executives. A non-executive has far less knowledge of the internal workings of the company. Nonetheless, it is also fact, that a non-executive director bring to the board some awareness of the external business environment; which is also important in business operation - but to a minimal extent. In other words they can advise but they are not decision makers in the main.

So who is in control?

Income inequality in South Africa

In an attempt to show the other side of the coin, as far as the South African economic situation is concerned, it is almost always important to put the issue of income inequality into the mix. The measure of inequality worldwide is calculated using a concept called Gini Coefficient, which is an aggregation of the gaps between people's incomes into a single measure (according to *The Economist*).

To be specific, if everyone in the population group (or for that matter in a country) has the same income, the coefficient will be 0. If all the income goes to one person and none to the rest, the coefficient will be 1. Worldwide, the lowest income equality is found in the richest countries - for example, in Sweden, Germany, UK and the USA. These countries have coefficients of between 0.25 and 0.4.

South Africa's Gini Coefficient stands very high at 0.62, which indicates that there are very few privileged people who are well-off; while others live close to or below the poverty line in our country, and the majority of those are Black Africans.

In juxtaposing the two situations (the wealthy and poor), it is clear that the traditional owners and entrepreneurs who have been in the country and in business for many years; and mostly people who have accumulated wealth over decades are the dominant force in South Africa. They are still the real owners of the means of production. Little has changed overall.

The need to de-racialise the economy

Ben Turok, an ANC veteran, former MP and intellectual, in his paper titled *'The challenge of managing capitalism'*, published in *Umrabulo* in 2006, provides an interesting and compelling argument. He talks about a very salient and an important concept with regards to the plight of black business and how it can be assisted to grow by the ANC.

One of the critical assertions he makes in this seminal paper captures the critical issue that even today still haunts black business and entrepreneurs. He argues: "It is therefore logical that a national liberation movement should insist that space be created for black capitalists in the interests of deracialising the economy. Also, many of the leading personalities in black business were leading figures in the ANC and retain those links. The problem is that they come emp-

▲ **Who is in control?**
The number of Black Directors on JSE-listed companies are disappointing.

ty handed onto the field, they are *'capitalists without capital'*."

This loaded statement has a lot of political currency and value in it; firstly it highlights the plight of black business and entrepreneurs in South Africa.

I want to argue that more capital injection, skills development and training in black businesses needs intimate and serious attention from both government and the private sector. This has to happen if we are to radically change the face of those who own the means of production in our country.

The question that comes to mind is whether the key players - government and the private sector - are both serious about this project?

The ANC government has created institutions of state to support and grow black business, which is commendable and they must get credit for that work. These government agencies were created for various business reasons (mainly to support black entrepreneurs), and to directly intervene and in some instances to unlock the potential of black business and entrepreneurship in different sectors of the economy and help it to flourish. But how many are flourishing?

Some of the agencies and institutions are:

- Anglo-Khula Mining Fund
- Commercial banks (which work with government on selected projects)
- Enablis Acceleration Fund
- Identity Development Fund (IDF)
- Industrial Development Corporation (IDC)
- Izibulo SME Fund
- Khula-Akwandze Fund
- Khula Credit Indemnity Scheme
- Khula Emerging Contractors Fund
- Khula Enterprise Finance
- National Empowerment Fund (NEF)
- National Youth Development Agency (NYDA)
- National Youth Fund
- Small Business Growth Trust Fund
- The International Tourism Marketing Assistance Scheme (ITMAS)
- The Land and Agricultural Development Bank of South Africa (Land Bank).

The obvious criticism that follows such a list has to be why so many and why are they segregated if the purpose is the same? Government officials

will say they are in a process and all will be integrated under the Department of Economic Development at some point in time.

This raises other important questions:

- How will that change the situation and will it fast track the development of black business and entrepreneurs?
- Will it make their businesses grow and become sustainable?
- Will it help to grow their capital base?

These set of questions must be answered and hastily, because a promising and rising black bourgeoisie and middle strata in South Africa is still greatly underfunded and surviving at a very low capital base.

This is a risk to the ANC's transformation agenda in both the political economy and in the building of a non-racial, non-sexist, free and democratic prosperous society. This is the National Democratic Society (NDS), which is part of the historic mission and vision of the ANC. Another risk is that the South African economy is solidly and racially segregated and it needs urgent unbundling.

The case to grow and develop black family owned businesses

Some of the most successful businesses in the world are family owned businesses (eg. Toyota in Japan, Walmart in the United States, and Samsung in Korea). In the United States alone family businesses control a huge part of the economy. Around one-third (1/3) of all companies in the S&P 500 index are family-controlled, and many are outperforming their competitors.

According to a study by Texas A&M University, family-owned businesses beat other firms in revenue and employment growth. These businesses also have a longer term view of investments. The top ten family owned businesses in the US collectively generate \$1 trillion in revenue.

In South Africa the situation is no different. Some of the large JSE listed companies are owned and controlled by families (such as De Beers and the Oppenheimer family, Compagnie Financiere Richemont and the Rupert family, Shoprite and the Wiese family, and Pick n Pay and the Ackerman family) and they create hundreds and thousands of jobs.

The argument advanced is that if we are indeed serious in further cultivating and entrenching a

black bourgeoisie with a reputable and solid middle stratum in South Africa, then we must build strong and sustainable black family owned businesses as one of our methods of economic development and job creation. It will definitely take time to build such kinds of businesses – on average 25 years – but it is possible.

This means that government will have to really rethink its capital investment strategy and funding methods as to whether they are adequate in responding to such a need. Strategic and visionary leadership is required from the ANC government to position the black bourgeoisie and stabilise the middle stratum in South Africa.

Options available to the black bourgeoisie and middle strata

In his paper, Ben Turok says that black business has three options if it is to survive:

1. It can continue its strong linkages with the ANC and identify with its social and economic programme that has a strong redistribution dimension.
2. It can strive to establish itself as a relatively independent force within the capitalist economy, resonant with traditional Marxist views of a progressive national bourgeoisie.
3. It can become a junior partner of white capital, including its international dimensions.

The first option is the most viable at the moment but the key to this will be if the ANC takes the lead in partnering with black business and entrepreneurs. This option is indeed strategic in that in its quest to continue growing the black bourgeoisie and middle strata, it directly establishes strong linkages with the ANC. But the main question is whether the ANC has that strong redistribution dimension integrated in its economic transformation programme.

The second option is also ideal, but it will require more effort and time to realise (something we must work towards if we have to grow reputable black family owned businesses). But in the short to medium term we might have to have a combination of the first two options simply because a fraction of the black bourgeoisie has become an independent force within the capitalist economy.

The third option has limitations and can inhibit financial growth and development; It can retard the true emergence of a more formidable black

business and associated entrepreneurs in South Africa. It has already played itself out in the past via a popular concept called 'fronting', which is not real empowerment but rather a means of owning of the means of production by proxy. It was deliberately done by white capital to accommodate and bypass the government policy on Broad Based Black Economic Empowerment (BBBEE).

Conclusion

The ANC remains the most appropriate political platform, with the necessary capacity and skills, to address the economic transformation agenda in South Africa. It has after all introduced BBBEE and other associated legislative imperatives. What is now required is to revisit and rethink the pace with which the process needs to unfold.

The black bourgeoisie and middle strata's interests coincide with at least the immediate interests of the majority (who are black, poor and marginalised).

As the Gini Coefficient increases so will our countries problems grow. Therefore an accelerated, radical and sober approach is required to reverse the economic imbalances of over 300 years of colonialism and apartheid.

Perhaps it is time that the ANC government really digs deeper and investigates the structural inefficiencies that impede the rapid development of black business and entrepreneurship in South Africa. Maybe the timing is also right to relook at the possibility of an increased and comprehensive capital injection into black business and entrepreneurship in our country.

Maybe it is after all the right moment to do an efficacy health check on the not so old BBBEE policies, more specifically their impact, outputs, outcomes and their relevance in the noble goal of developing a black bourgeoisie and middle strata.

If an efficacy health check proves that BBBEE is an impediment or at worst a structural problem in the growth of the black bourgeoisie and middle strata, then we must scrap it and get an accelerated, radical and sober approach to black empowerment. In the end, our people cannot continue to be "*black capitalists without capital*". It is unacceptable.

On **Form and Content** of **Debate in Revolutionary Movements** | By THANDO NTLEMEZA

IN a book titled *Marxist Theories of Imperialism*, Anthony Brewer reminds us that Karl Marx always emphasized importance of abstraction given the complex nature of society.¹ In particular, Brewer challenges revolutionary community:

*[to] isolate the simplest and most fundamental social relations and build up on abstract representation of how they work and how they fit together.*²

Whereas Karl Marx's emphasis on significance of theory in the revolution and active influence of his theorizing on history cannot be doubted; literature shows that both Marx and Engels were not content with theorizing about the revolution in abstract because (to them) theory can only be useful insofar as it assists people and their organisations to advance the revolution. Utility of theory in a revolution was also emphasized by Lenin when he said "*without revolutionary theory there can be no revolutionary movement*"³ – a statement that remains relevant today as it was when Lenin made it many years ago when he was very hard at work developing ideas about a revolutionary movement that can be able to provide leadership to the masses during their collective struggles to fundamentally change the economic and social relations in society. However, Len-

in went on to caution against the strong insistence on the idea 'at a time when the fashionable preaching of opportunism goes hand in hand with an infatuation for the narrowest forms of practical activity.'⁴

Political literature teaches us that Lenin's ideas and views originate from the concrete conditions in which he and his party existed and operated. It is these conditions, which shaped Lenin's belief that theory cannot be delinked from the concrete situations and that dialectic sought to be defined from an angle of its relation to concrete reality. For this very reason, Lenin defined dialectic as the '*concrete analysis of concrete conditions*' in any society.⁵ In his view, uneven developments in a revolutionary struggle demand that a leading movement in the revolution looks at the key links in all concrete situations⁶ as he firmly believed that needed in any phase of the revolution is the ability to grasp a particular link⁷ in the chain and then prepare thoroughly for the passing on to the next link until the full grasp and control of the whole chain is gained.

Although Lenin believed that practice is more superior to theory given its universality and immediate actuality⁸; he was a theoretician who had deeply studied Marxist classics and put incredible effort into his own theoretical work.⁹ It

NOTES

¹ Anthony Brewer (1990) *Marxist Theories of Imperialism* (Second Edition) at p.12

² Ibid.

³ Lenin (1902) *What is to be Done* (transcription by Tim Delaney) at p.12

⁴ Ibid.

⁵ Sean Sayers "*On The Marxist Dialectic*" at www.kent.ac.uk/secl/philosophy/articles/sayers/marxistdialectic2.pdf

⁶ See Tony Cliff's "*Lenin and the Revolutionary Party*", Reprint from the International Socialist Tradition – originally printed in *International Socialism* 58: May 1973

⁷ *Strategy and Tactics of the Proletariat Revolution* (1936) at 46

⁸ Ibid.

⁹ Mick Armstrong "*How Lenin developed his theory of the revolutionary party*" in *History and Theory, Socialist Solidarity* (<http://socialistsolidarity.ca/lenintheory.html>)

Founding fathers of Marxism-Leninism:

Karl Marx, Friedrich Engels and Vladimir Lenin



is Lenin (himself) who skillfully integrated political and organisational principles of revolutionary populism into classical *Marxism* to modify *Marxist orthodoxy*¹⁰ with a view to making Marxism practically applicable and more responsive to concrete political reality. This revealed Lenin's wisdom in the application of theory and his ability to show interdependence of theory and practice. In what appears to be an undisputable affirmation of Lenin's genius, Edmund Wilson¹¹ says:

...it is the instinct for dealing with the reality of the definite political situation which attains in him the point of genius.

Many in the revolutionary world of politics believe that Lenin's genius in strategy and tactics was a pillar for his hegemony in his revolutionary party.¹² In fact, what distinguished Lenin as an accomplished revolutionary was his scientific understanding of history and sensitivity to the mood and aspirations of the people, which gave him extreme confidence that the path he chose was indeed the correct one.¹³ His impressive work on revolutionary movements and strategy and tactics continues to inspire many people and many political movements, including ours. Our choice of terminology confirms that we are, indeed, Lenin-inspired. That we often use terms such as revolutionary movement (which are attributed to Lenin confirms this. We would remember that, it is Lenin who developed and championed a theoretic idea of revolutionary movements; hence revolutionary movements are often regarded as *marxist-leninist* organisations whose existence should never (at any stage) be delinked from therevolution as they

exist to drive and take revolution to its logical conclusion.

Emergence and character of revolutionary movements

It is the poor socio-economic conditions prevalent in society, the failure of government to address plight of the suffering masses and suppression of democratic engagement in the country, which drive masses of the people into a revolution – a situation that creates conducive conditions for a revolutionary movement to emerge. Jeff Goodwin¹⁴ seems to agree with this view because he attributes emergence, flourishing and persistence of all revolutionary movements to despotic and undemocratic dictatorship in a country. In particular, Goodwin argues that all revolutionary movements emerge and thrive because of the exclusion of the mobilized groups of people from state power and resources; the government's violence against the oppressed; and government's sponsorship or protection of unpopular economic and social arrangements.¹⁵ These are no different from the characteristic features of apartheid colonialism, which provided the context for our own revolutionary movement to gain ground as (like other revolutionary movements) it needed political context behind revolution for it to take root and flourish.¹⁶

Even though an oppressive government may (through its deliberate exclusion and suppression of some people in society) inadvertently create conducive conditions for the revolutionary movements to emerge and flourish – as Goodwin suggests; any revolutionary movement

NOTES

¹⁰ Simon Clarke "*Was Lenin a Marxist? The Populist Roots of Marxism-Leninism*" at p.1

¹¹ Cited in Mick Armstrong

¹² Ibid.

¹³ Tony Cliff at p.38

¹⁴ In his book *No Way Out: States and Revolutionary Movements, 1945–1991* cited in Raymond Millen (2008) *The Political Context Behind Successful Revolutionary Movements, Three*

Case studies: Vietnam (1955–63), Algeria (1945–62), and Nicaragua (1967–79)

¹⁵ Raymond Millen (March, 2008) *The Political Context Behind Successful Revolutionary Movements, Three Case studies: Vietnam (1955–63), Algeria (1945–62), and Nicaragua (1967–79)* at page viii.

¹⁶ These are the words Raymond Millen (at p.2) attributes to Jeff Goodwin.

may still fail to capitalize on the situation if its leadership is unable to isolate the government from country's populace.¹⁷ In fact, success of any revolutionary movement depends on the ability of its leadership to deepen the conflict between the government and the majority of the people and to internationalize the national conflict with a view to garnering international support that is required to mobilize the global community for international criticism, diplomatic isolation and economic sanctions against the government¹⁸ – something our organisation mastered with precision.

So, what are the attributes of the revolutionary movements? Or, why are some social movements regarded as revolutionary? For those of us who may not have grasped the essence of what revolutionary movements are, let me bring the issue closer to home by posing a question in this way: Why do we define ours as revolutionary?¹⁹ We define our organisation as a revolutionary movement because it exists and is dedicated to carrying out the revolution to change society for the better. However, this does not mean that there are no people who use the term *revolutionary* loosely. Whereas some may be using the term loosely; merely referring to an organisation as revolutionary does not bestow revolutionary outlook. Neither does the organisation defining itself as revolutionary become revolutionary by self-proclaimed definition.

Immanuel Wallerstein says that most movements of socialist and nationalist orientation proclaim themselves to be revolutionary because they stand and struggle for transformation of political, economic and social relations in society.²⁰ Ours is no exception in this regard. It does not claim to be a revolutionary movement merely because it is defined as such. Instead, its revolutionary orientation and outlook derive from its posture, resolve and determination to advance the struggle to resolve the dominant and fundamental contradictions that were created by the system of apartheid colonialism and then build a truly non-racial, non-sexist, democratic, united and prosperous society²¹ – a struggle defined as rev-

olutionary in the progressive language of *Marxism-Leninism*.

Marxism-Leninism!

Alvaro Cunhal defines Marxism-Leninism as *... a living, anti-dogmatic, dialectical, creative theory, which is further enriched by practice and its responses to new situations and phenomena...*²²

Alvaro Cunhal demonstrates the dynamic nature of a theoretical tradition that is attributed to our organisation. From literature and revolutionary situations, we have learnt that revolutionary theory equips and enables people to analyze society. It provides them with dialectical tools of analysis and intellectual artillery that help people:

*...to understand the inner connections of the events..., to see the course events will take, and recognize not only how and in which directions events are going, but also how and in which direction they must develop in the future.*²³

Given the significance of theory in a revolution; it is imperative that we master revolutionary theory. Mastering this theory means full understanding of the theory and its intricacies as well as the ability to apply it in all concrete situations.²⁴ It also means understanding that any revolutionary theory should be dynamic, as revolution needs a dynamic theory that can be modified as the revolution progresses. For this reason, ours must be adapted with changing conditions in society to make it sharper to guide the people as and when they execute the revolutionary action during the struggle.

Execution of any revolutionary action requires appropriate tools as Joel Netshitenzhe states that revolutionary struggle that lacks methodological tools can lead to the setbacks in a revolutionary organisation.²⁵ It is this very perspective that must guide members of a revolutionary organisation when they engage on matters of ideology, policy and direction. As advanced elements

NOTES

¹⁷ Raymond Millen at p.6

¹⁸ Ibid.

¹⁹ Revolutionary movements are marxist-leninist organizations.

²⁰ Immanuel Wallerstein "***New Revolts against the system***" in ***A Movement of Movements: Is Another World Really Possible?*** Edited by Tom Mertes at p. 263

²¹ Preamble of the ANC Constitution, as amended and adopted in December 2012

²² Alvaro Cunhal in Hans-Peter Brenner "***On a feature of cop-***

ing with a political defeat" ***Marxism-Leninism Today***, The Electronic Journal of Marxist-Leninist Thought

²³ Randall L. Bytwerk (1998) English Translation of Sozialistische Bildungshefte, 5 (Nr. 6, July 1950)

²⁴ Ibid.

²⁵ See Joel Netshitenzhe "***The National Democratic Revolution and class struggle***" The African Communist, Second Quarter 2000 at p.14. This is the address delivered by Netshitenzhe to the Cosatu Executive Committee on 23 February 2000.

in a revolution, revolutionaries must always understand good and bad aspects in a revolution as Netshitenzhe reminds us that revolution can ruin contending forces, and that a revolutionary movement can pursue policies that may ruin people who are involved in the struggle.²⁶ Hence, revolutionary organisations must (always) be alive to this reality and caution their own members against anything, which has a potential to damage their own reputation.

Because of the revolutionary nature of the struggle we pursue, our organisation has (over the years) embraced revolutionary theory as a tool to guide its members when they analyze society. This, in essence, means that revolutionary theory has been playing and continues to play an important part in shaping conduct of our members and approach to the struggle to fundamentally change our society; hence those members of the organisation who may have internalized revolutionary theory know that they cannot engage in activities (such as attacking each other in public and public airing of dirty linen) that bring the organisation into disrepute. In other words, any member who is properly trained on revolutionary theory and morality knows and understands that dirty linen should never be aired in public²⁷ as public hanging of dirty linen exposes the organisation to the enemy attacks. However, public airing of dirty linen must not be confused with debating in public of the policy issues which affect the country and its people with a view to mobilizing and uniting people behind the organisational positions on issues – as public discussion on the policy issues that have been debated and ‘resolved’ within the organisation does not necessarily undermine that noble principle of *democratic centralism*²⁸ because properly understood:

*Democratic centralism is a means to achieve unity in action around decisions taken after democratic debate.*²⁹

We would remember that Lenin argued for full freedom to discuss and even criticize party decisions both within his organisation and in public. However, his argument in favour of freedom to publicly criticize party decisions should be understood within its proper historical context as he made his argument at the time when his *stra-*

tegic and tactical approach to the revolution were not dominant in his party. The situation may be different in our case because there seems to be a common understanding on the character of the movement and its task to lead and take the revolution to its logical conclusion. What needs to be emphasized (though) is that, more often than not differences in our organisation are mostly on those matters which relate to either tactical approaches or personalities to lead the movement given the challenges of the phase of a revolution or even the personal gains associated with elevation of certain individuals into positions of power within the organisation or in government (as the case may be). Ours does not have to prevent public debate on its own decisions on matters of ideology, policy and direction because debate is the only way through which broader society can be mobilized and united behind organisational decisions. Which, in essence, means that our own movement should only permit (even though guardedly) public discussion of its decisions with a view to uniting the people behind its decisions and to achieve what Trotsky referred to as “*common understanding of the events and tasks*”³⁰ – something we must do because of a firm belief that once we are strongly united behind organisational decisions that purport to fundamentally change society, we can liberate people from social misery.³¹ In our efforts to unite members of the organisation and citizens behind organisational decisions, we must do everything fully aware of the practical realities that are associated with all human associations. Like other associations, organisations or institutions of human beings, revolutionary movements act through their members. This means that even revolutionary movements achieve revolutions through activism of their own members who help to agitate and mobilize the citizens to join the struggle, although organisations exist separately from their own members. This is so because organisations (whether political or professional) have values and principles against which even their own members may act; hence conduct and actions of members that undermine core values and principles of the organisation cannot be attributed to the organisation. As and when members of our revolutionary organisation engage on matters of ideology, policy and direc-

NOTES

²⁶ Ibid.²⁷ Ben Bland “*A question of balance*” Financial Times, Thursday, November 24, 2011 at page 5.²⁸ Murray Smith “*Internal Democracy and Public Debate in Revolutionary Parties*” International Viewpoint Vol. 357, May 2005²⁹ Ibid.³⁰ Ibid.³¹ Anton Pannekoek “*Why Past Revolutionary Movements Failed*” in Living Marxism, Vol. 5, No. 2, 1940

tion, they must uphold organisational values and principles. However, some among us fail to uphold these values and principles, and thus fertilize the ground for the forces of counter-revolution to pursue and accomplish their mission. As if they are not aware that counter-revolutionary forces never sleep, some members of the organisation air in public *dirty linen* which gets used by enemies of the revolution to demonize our own revolutionary movement and undermine its revolutionary agenda on one hand and to romanticize its ideological opposition on the other³² to disorganize, weaken and destroy the democratic state and to subvert transformation agenda.³³

Instead of pointing missiles at their ideological and political nemesis, some members have a tendency to hide behind the façade of robustness to mask their intention to politically attack and wound some of the members. At times, these personalized attacks are often launched through the so-called *open letters* that have become fashionable.

Phenomenon of Open Letters

History tells us that use of letters is not a new phenomenon in politics as letters have (over many years) been written on many political issues.³⁴ Marx, Engels and other revolutionary thinkers of their times discussed burning political issues through the letters, contents of which formed part of their literary contributions and the political discourse. Even our historical experience shows that a similar situation played itself out in our liberation movement as some of its leaders and members raised political issues through letters that were widely circulated and read given their content on the matters of ideology, policy and strategy; hence they assumed the status of *open letters*. While predominant use of letters in political debates in particular phases of societal development may be attributed to the fact that letters constituted primary mode of communication in those times; role and influence of *open letters* in liberation discourse cannot be discounted. In fact, in modern democracies open letters are written on many stories of public interest. In the revolutionary politics they are viewed from the perspective of open and robust

analysis of concrete political reality. Whichever way one looks at them, *open letters* have (in recent times) become some of the most popular modes through which people engage each other on various issues ranging from governance and service delivery to challenges facing our own movement, the country and its people.

While *open letters* may be written on any social issue, the scope for purposes of this paper is only limited to issues, which are generally, regarded as political issues. Emphasizing that letters on the political issues are not only meant for people to whom these letters are addressed; Roy says:

*Although originally the letters were written to individuals, by way of polemics on ...social, economic or political topics, they are by no means private correspondence.*³⁵

What Roy emphasizes is that whereas authors of all the *open letters* purport to write letters to specific individuals, contents of their letters are often meant to be read by other people as letters contain issues that do not only affect individuals to whom they are addressed.

Contents of some *open letters* are fathomable, whilst contents of other letters are somewhat very unsound and problematic. That some of the open letters contain ghastly and baffling issues does not necessarily mean that *open letters* are inherently bad as they can provide a platform through which solutions and decisive action on the issues affecting the organisation and the country can be proposed. Notwithstanding this, some of us have a tendency to raise (in open letters) issues that are supposed to be raised and debated in the structures of the organisation. But, why? Is it a matter of ill discipline on the part of the members who choose *open letters* as a platform to raise issues? Or, are these members prevented from raising the issues within the organisation, if so, why? Be that as it may, when internal discussion on issues (whether difficult or otherwise) is neither allowed nor tolerated some members and leaders of the organisation may find other platforms outside the formal structures and processes of an organisation to express their views.³⁶ Perhaps, this is an angle from which a tendency to raise and discuss party political matters in *open letters* can be explained.

NOTES

³² Ronald Suresh Roberts (2007) *Fit to Govern – The Native intelligence of Thabo Mbeki* at 52

³³ *Strategy and Tactics of the ANC, 2007*, at para 73; also see Thando Ntsemeza “*Celebrating unbroken service to the people: revisiting the role of the ANC in the South African revolution*” Umrabulo 35, 2011

³⁴ Roy “*Introduction to Political Letters*”, March 1924 at www.marxists.org/archives/roy/1924

³⁵ *Ibid.*

³⁶ This point is well canvassed in my paper “*In Pursuit of Unity and Cohesion*” which is published on Umrabulo 39, Second Quarter, 2013.

There are members of our own organisation who do not use *open letters* as a platform to discuss political issues per se. In fact, they use *open letters* as the platform from which to launch an avalanche of attacks on those who advocate ideas and views they do not agree with, instead of attacking the advocated ideas and views. Some of them impose themselves as paragons of the ideology and knowledge while projecting those who dare hold and articulate differing ideas and views as the ideologically and politically deformed species that require re-engineering and re-grooming. Without any proper consideration and analysis, they are very quick to dismiss policy propositions that should have otherwise been supported on ideological and policy grounds merely because propositions originate from people who are viewed as ideologically and politically deformed. In other words, policy propositions that may advance the revolution run the risk of being demeaned and non-sensitized because they are articulated and spear-headed by the people who are labeled (by so-called super revolutionaries) as ideologically and politically deformed. In most cases, a tendency to heckle, label and insult certain individuals who raise particular issues (instead of responding to the issues they raise) derives from conscious determination to defend the indefensible interests which are often presented to unsuspecting members and supporters as a revolutionary cause whereas these interests have nothing to do with the interests of ordinary masses. More often, advocates of policy propositions which purport to liberate poor and marginalized sections of the population from conditions of poverty and under-development that pose a threat to these interests are purged and then condemned to political wilderness with a view to silencing the voices that dare challenge and frustrate material interests of the most covetous in society.

However, with correct application of revolutionary theory, members of our revolutionary organisation should be able to respond to any situations, which threaten the revolution, including those that are presented by problematic posture assumed by authors of certain *open letters*. In fact, when we respond to any situation we must rely on the *revolutionary theory* as it teaches us how to *attack furiously* and *when to retreat* [in certain circumstances] to *prepare for fresh offensive*.³⁷ Of much importance in a revolution is



that revolutionary theory requires leaders and members of the revolutionary organisation to desist from doing things, which may assist the forces of counter-revolution to unleash lethal ammunition against a revolution and leading movement in a revolution. Only in this way will any revolutionary movement succeed to dislodge a counter revolutionary agenda. Despite this, immediate political reality clearly shows that an ill-fated practice of heckling, labeling and insulting advocates of differing ideas and views continues to characterize discourse in our movement.

Ad hominem-ism

In philosophy, verbally or literary attacking a person who makes an argument instead of responding to the content of his argument is regarded as the *argumentum ad hominem* – a fallacious way of arguing which shows inability to advance a convincing content-based counter argument. This tendency assumes various forms such as heckling, labeling and insulting a person who makes an argument. With *argumentum ad hominem* being part of our party discourse, internal debates can easily degenerate into a counter-productive affair in which the contents of arguments do not matter whereas content of other people's arguments may enrich one's perspective. This means that *argumentum ad hominem* cannot be ideal for generating ideas and perspectives, which are geared towards addressing both the organisational and societal challenges. Given its counter-productivity, why would the revolutionaries engage on the *argumentum ad hominem*? Is it because of hatred for the people who make the arguments or the arguments are so disgusting to warrant any form of levelheaded argumentation? Be that as it may, people who verbally attack advocates of ideas and views often want to influence others to adopt their own perspectives on issues and do

▲ Constructive debate...

is the lifeblood of an organisation because they help to unpack questions thrown up by the struggle.

NOTES

³⁷ These are the words used by Kapchenko to define Lenin (N. Kapchenko "*The Leninist Theory and Practice of Socialist*

Foreign Policy" International Affairs No. 9 Vol.14, 1968 pages 53–60.

not want to be influenced; thereby undermining that noble principle which requires people who want to influence others to be prepared to be influenced.³⁸ Our members must, (at all times) be prepared to be influenced³⁹ as we cannot pose as paragons of knowledge who are too smart to learn from others.

What purpose does debate serve?

Revolutionary movements regard constructive debates as lifeblood of an organisation because they help to unpack questions thrown up by the struggle.⁴⁰ For this reason, constructive debates should be encouraged because it is only through debates will we engage on the challenges which face the organisation and the country and devise measures to address the challenges.⁴¹ Whilst arguments should be frank and robust, argumentative activity in any revolutionary organisation should (at all times) be very constructive.

Neta Crawford tells us that a political argument is a form of persuasion and inter-subjective reasoning.⁴² However, a political argument must be distinguished from an ethical argument. An ethical argument is used by the people who want to appear good in particular situations⁴³ and a political argument persuades people to view the issues in a particular way. However, leaders and members of revolutionary organisations must be dialectical in approach. Nicholas Rescher says:

...*Dialectics is not so much a vehicle for [an] effective persuasion as for reasonable argumentation [but] a mechanism of rational validation.*⁴⁴

For now, focus must be on the aspects of dialectics that relate to debates. Which means that, dialectics in this sense should neither be confused with the *Hegelian dialectics* that sought to reflect the real world through discussion of the ideas nor with *Marxist dialectics* that shows how real world shapes the world of ideas in the mind. Instead, it should be narrowed down to the conduct of members during the ideological and policy debates and, in particular to fundamental

elements of the art of dialectical argumentation. Before engaging further on the matter, certain things must be clarified once and for all.

Firstly, an argument that mainly focuses on discrediting people who advocate differing ideas and views cannot be a mechanism for *rational validation*. Neither can it be a *reasoned argument* nor the *argumentum ad logicam* that was pioneered by the classical Greek philosophers. Secondly, even ardent proponents of *rhetorical art of arguing*⁴⁵ cannot associate themselves with an opponent-targeting approach to political discourse as this approach is not only un-dialectical, but also creates negative tensions in an organisation; thereby achieving an opposite of what debates are naturally meant to achieve in an organisation – which is to influence each other and create a common understanding among the members of the organisation through persuasion – instead of compulsion. Thirdly, ours will never become an ideologically coherent organisation envisaged by Lenin as a vehicle capable of advancing the revolution to its logical conclusion when some members and leaders preoccupy themselves with discrediting other members or leaders who happen to advocate certain ideas and views they do not agree with at a particular phase of the revolution-instead of engaging or attacking advocated ideas and views.

Debates in any revolutionary movement should always be guided by both theoretical and practical reasoning – and not hatred as the logic of hate dictates that a human being who hates another human being hates himself for he is also a human being. While theory provides theoretical basis for people to understand social and economic problems facing the country and its people; practical reasoning helps in answering questions as to how to respond to practical problems.⁴⁶ Theoretical and practical reasoning may not work in situations where debates mainly focus on attacking those who advocate ideas and views, instead of engaging ideas and views. When we debate party political, socio-economic and governance issues facing the organisation, the country and its people; we must be mindful

NOTES

³⁸ See *Through the Eye of the Needle, Choosing the best cadres to lead transformation*, 2001 at para 39 although reference in that paragraph is to the leaders.

³⁹ Ibid.

⁴⁰ See the *Report on the ICP's meeting on the historical need for communism*, Liverpool, 23 June 2012 posted on www.internationalism.com

⁴¹ Thando Ntlemenza "In pursuit of unity and cohesion", Umrabulo 39, 2nd Quarter 2013

⁴² Neta C. Crawford (2002) *Argument and Change in World Politics – Ethics, Decolonization and Humanitarian Intervention* at page 14.

⁴³ Crawford at page 15.

⁴⁴ Nicholas Rescher (1977) *Dialectics: a controversy-oriented approach to the theory of knowledge* at (xiii).

⁴⁵ Rhetoric persuade people to believe that something is true or false, regardless of whether it actually is true or false).

⁴⁶ Aristotle as cited in Crawford at page 16.

of consequences of our approaches, especially those approaches which may result in detrimental consequences. What may be some of these unfortunate consequences?

Firstly, verbally attacking the advocates of certain ideas and views instead of engaging ideas and views may raise personalities over and above ideas and views; thereby elevating individuals into exclusive tools to analyze political dynamics. Or, personalities may be viewed as exclusive factors in making projections about future direction of our organisation and socio-economic direction of the country.

Secondly, debates that mainly focus on advocates of ideas and views elevate individuals over and above organisations and thus entrench the *personality cult* – something against which Lenin always warned his own comrades. While he [himself] was glorified, Lenin never became unprincipled by keeping quiet because he stood to benefit from the act of glorification. These are some of the lessons to be drawn from exemplary leadership set by Lenin.

Glorification of personalities may project the glorified in good light and improve public image of their respective organisations. Despite this, our movement has over the years continued to discourage its members from glorifying some individuals because of collective belief that this may cause certain individuals to see themselves as bigger than the organisation and entrench *cult of personality* to the detriment of the revolutionary organisation.

Historical evidence shows that many parts of the world have over the years embraced cult of personality because [to them] it represented something good for the people. An image of a leader was associated with the set of good values, principles and goals beneficial to the wellbeing of the nation;⁴⁷ hence all the people associated themselves with the regalia bearing the face of such a leader without any qualms and reservations. In this regard, the name of the late Nelson Mandela comes to mind. Members and leaders of our organisation have always embraced

and promoted *Mandela cult* because their own organisation took a deliberate decision to profile Nelson Mandela as a representative personality of all the country's political prisoners and to use his political biography to illustrate brutal nature of the apartheid system.⁴⁸

While some people are convinced that it existed since the advent of modern civilizations, historical evidence shows that *personality cult* was most pronounced with the evolution and development of monarchies. With increasing monarchical control in various parts of the world, the *cult of personality* was manipulated to benefit monarchical rulers and their families and friends at the expense of the masses of the population.⁴⁹ In most cases, monarchical rulers espoused fluid and changing political messages when required to talk against the exhibition of the riches in the face of abject poverty of the masses as they would rather sacrifice a people's cause than lose their ill-begotten privileges and related comforts of life.

Philosophers of the classical Greek antiquity had warned of the negative consequences of the riches. Plato believed that riches produce luxury and idleness while poverty produces the revolution⁵⁰ – something that was later echoed by Aristotle when he stated that poverty result in a political revolution.⁵¹ It is for this reason that earlier revolutions, which sought to abolish the monarchies were aimed at destroying the cult of personality given the negativity associated with it. Deep revulsion against the *cult of personality* was carried over and infused into later revolutions, including ours-even though the projection of Nelson Mandela both locally and internationally as a unifying symbol of our struggle was an exception.

Thirdly, attacking advocates of certain ideas and views instead of engaging their ideas and views may have negative consequences for the legacy of those who are preoccupied with the individuals instead of their arguments. As a result, future generations will not know issue-based arguments of those who attack personalities, instead of their ideas and views on issues.

NOTES

⁴⁷ "Theory of the Personality Cult: Deconstructing the Adulation of Political Leaders" http://sitemaker.umich.edu/fascist-personalitycult/deconstructing_personality_cult_theory

⁴⁸ This is contained in a letter of Former President Thabo Mbeki to President Jacob Zuma posted on Politics Web, 31 October 2008

⁴⁹ Jane F. Gardener (1974) *Leadership and the Cult of the Personality*. Gardener is also cited in in above article: "Theory

of the Personality Cult: Deconstructing the Adulation of Political Leaders".

⁵⁰ Tanter and Midlarsky "A theory of Revolution" Conflict Resolution, Vol. XI Number 3 264–280 at 269

⁵¹ Ibid.

Towards rejecting ad hominem-ism

Political discourse premised on attacking and bashing people is an anti-thesis of the notion of constructive debate because it creates a political environment, which is not conducive for production of ideas and views required to take the revolution forward. In other words, no palatable ideas and views will ever be generated in political debates, which focus more on personalities, instead of ideas and views that may take society to new heights. This, in essence, means that *argumentum ad hominem* threatens the revolution and delays the advancement and development of society; hence it should have no room in any revolutionary movement. As *ad hominem-ism* does not contribute to consolidating the democratic gains and deepening and further advancing the revolution; it must be relegated to the dustbins of history.

As contended above, ideological and policy debates remain the lifeblood of a revolutionary movement. It is for this reason that more political work will have to be done to prevent recurrence of negative tendencies within the organisation – but without losing sight of the fact that canvassing ideas and views forms an integral part of internal democracy in organisations. But, it must be allowed:

...If it is done within the acceptable parameters of a democratic organisation... [or] must always be done within a structured framework that allows comrades to freely air their views on a particular matter...⁵²

Canvassing ideas and views should always be guided by the revolutionary values and ethics, which form the foundation of an organisation. Heckling, labeling and insulting a person for raising certain ideas and views do not form part of these values because they compromise integrity of the organisation. In particular, acts of hackling, labeling and insults also undermine party political discipline – something which shows that *argumentum ad hominem* poses a serious threat to organisational discipline which is an important weapon in any revolution.

Notwithstanding our disgust for the *argumentum ad hominem*, we must be alive to a reality that some of those who are quick to squeal *ad homi-*

nem are often guilty of several other logical fallacies, including a fallacious belief or view that introducing an impressive-sounding Latin term somehow gives a person decisive edge in ideological and policy debates as revolutionaries cannot be impressionist in both conduct and approach. Delegates at the Morogoro Conference⁵³ cautioned that a:

Revolutionary sounding phrase does not always reflect revolutionary policy, and revolutionary sounding policy is not always the springboard for revolutionary advance.

So, what is to be done?

While *argumentum ad hominem* may have characterized political discourse in our movement, the situation has not yet reached a stage at which we can throw hands in the air in despair. But this does not mean *ad hominem-ism* has not created (discourse) problems – even though it has also provided us with an opportunity to develop strategic and tactical approaches geared towards managing the manner in which our members engage on political debates.

Whereas some of the political debates may start with some confrontations and hardening of attitudes, at some point debate must proceed to a stage at which participants reach a common understanding on the commonly shared starting points and rules of engagement. These rules should be institutionalized as some participants may not easily reach an agreement on the rules of the game,⁵⁴ especially if some of them perceive the rules to be prejudicial to them. Once rules of engagement are set, members or citizens (as the case may be) must evaluate all the arguments using the agreed upon evaluation methods to determine which arguments take the revolution forward.⁵⁵

There may be situations where an organisation does not have a model to guide its members when they participate in debates. In that case, an appropriate model will have to be conceptualized and developed taking into account the character of the organisation and what an organisation wants to achieve with political debates. A model that is ultimately chosen must be underpinned by the rules, which recognize

NOTES

⁵² *Conduct of a New Cadre*, 2000

⁵³ Consultative Conference of the ANC, which was held in Morogoro, Tanzania in 1969.

⁵⁴ Eveline Feteris “A dialogical theory of legal discussions: *Pragma-dialectical analysis and evaluation of legal argumentation*” *Artificial Intelligence and Law* Vol. 8 115 – 135

(2000) at 119 - 120.

⁵⁵ *Ibid.*



◀ **Disciplined members**
 The Movement prides itself at the high sense of discipline by its members.

the mutually shared methods of engagement and evaluation. These rules must, in turn, acknowledge the right of each participant in the debate to put forward and defend his own viewpoint without being heckled or labeled, and where necessary to even cast aspersions on other viewpoints but without attacking personalities. Any viewpoint that eventually gets defended against critical reactions should be accepted.⁵⁶

Most preferable for revolutionary movements would be a model that does not provide room for the notion which emphasizes *playing of the man and not the ball* as democratic organisations would naturally want ideological and policy debates to be content-based as:

...Content of arguments is crucial for understanding consistency and change in ...politics.⁵⁷

Therefore, we must embark on a deliberate programme aimed at inculcating into all its structures a culture, which promotes focus on the content of arguments. In other words, it must ensure that political debates primarily focus on the ideas and views – instead of personalities behind those ideas and views. Ours has a responsibility to ensure that its members and leaders refrain from relying on *ad hominem-ism* to out-manoeuvre their declared ideological or personal nemesis within the organisation because it is only through honest, robust and yet con-

structive debates will organisations promote diverse views which can enrich them with multiplicity of ideas and views⁵⁸ required for growth and development.

While democratic organisations and institutions must be steered away from any suppression of internal debate, only debates with a potential to strengthen the movement and advance the revolution must be promoted in the organisation. However, as we promote internal (constructive) debates, we must never lose sight of the fact that robustness is part and parcel of the culture of any revolutionary organisation. That an organisation provides room for *robustness* must never be viewed as the granting of license for some members to attack and destroy others. Once robustness degenerates into ill-discipline on the part of the members; relevant provisions of the constitution of the revolutionary organisation must be invoked and applied with immediate effect. These disciplinary provisions must never be applied selectively as all the members and leaders of our organisation deserve equal and fair treatment. In other words, (as a revolutionary organisation) our movement must apply disciplinary provisions without fear, favour or prejudice against all members of the organisation who bring the organisation into disrepute (irrespective of the position a member might be holding in the organisation, government or any institution in society).

NOTES

⁵⁶ Eveline Feteris, at 118 and 121

⁵⁷ Crawford at 12

⁵⁸ Thando Ntlembeza "Two Centres of Power Is An Illusion" Hlomelang Vol. 1 No. 15 (August 2005) at p.5

Neither must the disciplinary provisions contained in the constitution of the revolutionary organisation be invoked to stifle debates in the organisation as stifling internal discussion is not in line with the spirit and purport of the party's constitution.⁵⁹ In modern democracies, democratic constitutions are regarded as the foundation for an organisation because they define the nature of modern human associations and institutions. As human beings are (by their nature) capable of subverting an organisational cause in pursuit of their personal interest using the organisations, constitutions have now become important instruments to prevent personal interest from overriding the organisational interest. But, everything will depend on the value as well as significance leaders and members attach to their party's constitution. In turn, success of this depends on political discipline on the part of members and leaders of an organisation when it comes to matters relating to respect for democratic and constitutional values. This is very important because existence or extinction of any organisation largely depends on the extent to which its own members respect, defend and protect the constitution of the organisation as defending the party's constitution amounts to

defending and protecting the fundamental basis for the party's existence.

In all phases of the revolution, a revolutionary organisation must constantly remind its members about the importance of political discipline in a revolution. In other words, it must ensure that all its members (including the leaders) participate in political debates in a disciplined and constructive manner. Importance of political discipline should be emphasized even in the debates themselves. Success in this regard will depend only on the political will and ability of the organisation to develop effective methods that are geared towards improving the manner in which debates are conducted. What remains imperative, though, is to improve the skills and abilities of members and leaders alike to be able to debate in a disciplined and credible manner and make meaningful contributions to all the organisational and public debates on socio-economic issues affecting the country and its people.

Thando Ntlembeza is a Member of the ANC Eric Moscow Lusaseni Branch, Dullah Omar Region and Member of the (PEC) Subcommittee on Political Education in the Western Cape.

NOTES

⁵⁹ This is captured in Clause 25(2)(a) of the **ANC Constitution (as amended in 2007)** which provides that "*disciplinary proceedings against a member ... shall not be used as a means of stifling debate or denying members their basic democratic rights.*"



Women`s Charter

17 April 1954, Johannesburg

PREAMBLE:

We, the women of South Africa, wives and mothers, working women and housewives, African, Indians, European and Coloured, hereby declare our aim of striving for the removal of all laws, regulations, conventions and customs that discriminate against us as women, and that deprive us in any way of our inherent right to the advantages, responsibilities and opportunities that society offers to any one section of the population.

A SINGLE SOCIETY:

We women do not form a society separate from the men. There is only one society, and it is made up of both women and men. As women we share the problems and anxieties of our men, and join hands with them to remove social evils and obstacles to progress.

TEST OF CIVILISATION:

The level of civilisation which any society has reached can be measured by the degree of freedom that its members enjoy. The status of women is a test of civilisation. Measured by that standard, South Africa must be considered low in the scale of civilised nations.

WOMEN`S LOT:

We women share with our menfolk the cares and anxieties imposed by poverty and its evils. As wives and mothers, it falls upon us to make small wages stretch a long way. It is we who feel the cries of our children when they are hungry and sick. It is our lot to keep and care for the homes that are too small, broken and dirty to be kept clean. We know the burden of looking after children and land when our husbands are away in the mines, on the farms, and in the towns earning our daily bread.

We know what it is to keep family life going in pondokkies and shanties, or in overcrowded one-room apartments. We know the bitterness of children taken to lawless ways, of daughters becoming unmarried mothers whilst still at school, of boys and girls growing up without education, training or jobs at a living wage.

POOR AND RICH:

These are evils that need not exist. They exist because the society in which we live is divided into poor and rich, into non-European and European. They exist because there are privileges for the few, discrimination and harsh treatment for the many. We women have stood and will stand shoulder to shoulder with our menfolk in a common struggle against poverty, race and class discrimination, and the evils of the colourbar.

NATIONAL LIBERATION:

As members of the National Liberatory movements and Trade Unions, in and through our various organisations, we march forward with our men in the struggle for liberation and the defence of the working people. We pledge ourselves to keep high the banner of equality, fraternity and liberty. As women there rests upon us also the burden of removing from our society all the social differences developed in past times between men and women, which have the effect of keeping our sex in a position of inferiority and subordination.

EQUALITY FOR WOMEN:

We resolve to struggle for the removal of laws and customs that deny African women the right to own, inherit or alienate property. We resolve to work for a change in the laws of marriage such as are found amongst our African, Malay and Indian people, which have the effect of placing wives in the position of legal subjection to husbands, and giving husbands the power to dispose of wives' property and earnings, and dictate to them in all matters affecting them and their children.

We recognise that the women are treated as minors by these marriage and property laws because of ancient and revered traditions and customs which had their origin in the antiquity of the people and no doubt served purposes of great value in bygone times.

There was a time in the African society when every woman reaching marriageable stage was assured of a husband, home, land and security.

Then husbands and wives with their children belonged to families and clans that supplied most of their own material needs and were largely self-sufficient. Men and women were partners in a compact and closely integrated family unit.

WOMEN WHO LABOUR:

Those conditions have gone. The tribal and kinship society to which they belonged has been destroyed as a result of the loss of tribal land, migration of men away from the tribal home, the growth of towns and industries, and the rise of a great body of wage-earners on the farms and in the urban areas, who depend wholly or mainly on wages for a livelihood.

Thousands of African women, like Indians, Coloured and European women, are employed today in factories, homes, offices, shops, on farms, in professions as

nurses, teachers and the like. As unmarried women, widows or divorcees they have to fend for themselves, often without the assistance of a male relative. Many of them are responsible not only for their own livelihood but also that of their children.

Large numbers of women today are in fact the sole breadwinners and heads of their families.

FOREVER MINORS:

Nevertheless, the laws and practices derived from an earlier and different state of society are still applied to them. They are responsible for their own person and their children. Yet the law seeks to enforce upon them the status of a minor.

Not only are African, Coloured and Indian women denied political rights, but they are also in many parts of the Union denied the same status as men in such matters as the right to enter into contracts, to own and dispose of property, and to exercise guardianship over their children.

OBSTACLE TO PROGRESS:

The law has lagged behind the development of society; it no longer corresponds to the actual social and economic position of women. The law has become an obstacle to progress of the women, and therefore a brake on the whole of society.

This intolerable condition would not be allowed to continue were it not for the refusal of a large section of our menfolk to concede to us women the rights and privileges which they demand for themselves.

We shall teach the men that they cannot hope to liberate themselves from the evils of discrimination and prejudice as long as they fail to extend to women complete and unqualified equality in law and in practice.

NEED FOR EDUCATION:

We also recognise that large numbers of our womenfolk continue to be bound by traditional practices and conventions, and fail to realise that these have become obsolete and a brake on progress. It is our duty and privilege to enlist all women in our struggle for emancipation and to bring to them all realisation of the intimate relationship that exists between their status of inferiority as women and the inferior status to which their people are subjected by discriminatory laws and colour prejudices.

It is our intention to carry out a nation-wide programme of education that will bring home to the men and women of all national groups the realisation that freedom cannot be won for any one section or for the people as a whole as long as we women are kept in bondage.

AN APPEAL:

We women appeal to all progressive organisations, to members of the great National Liberatory movements, to the trade unions and working class organisations, to the churches, educational and welfare organisations, to all progressive men and women who have the interests of the people at heart, to join with us in this great and noble endeavour.

OUR AIMS

We declare the following aims:

This organisation is formed for the purpose of uniting women in common action for the removal of all political, legal, economic and social disabilities. We shall strive for women to obtain:

- ▼ The right to vote and to be elected to all State bodies, without restriction or discrimination.
- ▼ The right to full opportunities for employment with equal pay and possibilities of promotion in all spheres of work.
- ▼ Equal rights with men in relation to property, marriage and children, and for the removal of all laws and customs that deny women such equal rights.
- ▼ For the development of every child through free compulsory education for all; for the protection of mother and child through maternity homes, welfare clinics, creches and nursery schools, in countryside and towns; through proper homes for all, and through the provision of water, light, transport, sanitation, and other amenities of modern civilisation.
- ▼ For the removal of all laws that restrict free movement, that prevent or hinder the right of free association and activity in democratic organisations, and the right to participate in the work of these organisations.
- ▼ To build and strengthen women`s sections in the National Liberatory movements, the organisation of women in trade unions, and through the peoples` varied organisation.
- ▼ To cooperate with all other organisations that have similar aims in South Africa as well as throughout the world.
- ▼ To strive for permanent peace throughout the world.