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South Africa Today: a Poor Country Based on Neoliberalism

Nelson Mandela would have turned 100 years old on the 18th of July. Today South Africa is full of contradictions resulting from neoliberal policies, corruption and problems inherited from the apartheid and not yet solved.

We were expecting Irvin Jim in Italy, who since 2008 has been general secretary of NUMSA (National Union of Metalworkers of South Africa), the metalworkers' trade union, established in 1987, and representing about 400 thousand members. Someone that, in the coming years, we will be hearing more about: Irvin Jim began working as a cleaner in a factory in 1991, and immediately became a trade union leader, fighting to ensure equal rights irrespective of a person's job position. He quickly gained popularity, because he rejected compromises that could prejudice workers. He was coming to Italy to initiate or consolidate political relations with the left, as a result of the union's decision to become the catalyst for the formation of a political party. He stayed behind to follow the workers' state of unrest at Eskom, the state-owned electricity enterprise, which is stalling the country. The company is in crisis and proposed workers a 0% salary adjustment, whereas inflation is at 7%, and both VAT and fuel have gone up. Three trade unions including Numsa, Num (mine workers, because electricity is still produced from coal) and Solidarity (which mostly organises Afrikaner workers) began protest action on 16 June, and continued by slowing down electricity production due to the inadequacy subsequent promises; electricity is being rationed and this all happened in the middle of the Southern

hemisphere winter, with all the inevitable consequences for the workers and population at large.

We interviewed Jim remotely and immediately asked for clarification regarding Eskom: “The crisis started in 1996 with the introduction of the Gear framework (Growth, Employment and Redistribution) ...which required public spending to be kept at below 25% of GDP. Neo-liberal policies that subjected the country to the model promoted by the International Monetary Fund, the World Bank and rating agencies. The privatization of public assets began, while those companies that they could not privatise as a result of our resistance, they made sure they moved away from their original mandate.” The Numsa leader then underlined that when Eskom was completely state-owned, it produced electricity at competitive prices, guaranteeing electricity supply to areas of the country that up until then had been cut off. “The problem started when Eskom took its coal mines which it has built on the back of tax payers’ money, and handed them over to the private sector to mine them for Eskom as contractors. The greed of capitalism, which consistently follows privatisation, resulted in the cost of primary coal shot up year-on-year from 2008 to 2015 paralysing the economy. Whoever was managing the mines realized a 300% increase in turnover, with inflation at 7.4%. The situation was aggravated by the entry of independent power producers (so-called IPPs)” Jim continued: “This was done despite huge public investments in building new coal power stations in 2009, which cost the national fiscal 250 Billion Rand. As a result, today the country has excess energy as compared to the time IPPs were conceived but the government justified the entry of 27 private producers onto the national electricity grid by playing the energy-mix environmental card”. Jim explained that as Numsa, “we objected to this process, not because we are against the transition to cleaner sources, but because we want a just transition. The introduction of renewables should be a socially owned process. And such an introduction should not destroy the South African economy and jobs”. According to the trade unionist, this strategic sector needs to be transformed in the interest of majority “otherwise 92 thousand workers will be left unemployed”. The private producers of renewable energies are compromising Eskom’s production because they take precedence over whoever is producing with coal, but at prices that are four times higher. “The campaign we are waging is not just about wages, it is about making sure that both the economy and our communities have a competitive secured electricity tariff and supply. The plan that we presented to Government envisages saving through a just transition, reducing expenses for managers, fighting corruption, and saving the 47 thousand

employment positions within the company. There are interests to privatize Eskom behind this crisis”.

Once again we see the face of a country where the fight against exploitation continues, even after the struggle against apartheid has ended. The black majority still lives in rural communities or in still townships located in the outskirts of urban areas. This urban organization means that the majority of the population has to spend long time and money only to get to work in the city centres. At the same time, extreme poverty affects 60% of the population and labour disputes often become dire. This was the case of the miners at Marikana in August 2012, when 34 workers died under police fire. The legend of Mandela as Father of the Nation and symbol of unity remains prevalent, but the role of the ANC (African National Congress) that has been in government since 1994, is currently compromised. Already back in 2013 during its special national congress, Numsa has passed a resolution, amongst others, to withdraw its support for the ANC-led government and explore the establishment of a working class party. And following on its resolution Numsa plans to hold this year the first congress of the party. Jim explained the reasons for this decision: “Numsa’s problems with the ANC date back to the negotiations with the apartheid government. In 1994, black people were guaranteed the vote, but it was already clear that a choice of structural compromise had been reached. The ANC leadership waived certain demands from the revolution, especially on property rights and control over the economy. We obtained political power, forfeiting economic power and this represented a hollow victory. We managed the Treasury, but even the power of running a budget was curtailed through the macro-economic framework GEAR which meant that the budget could not go beyond 25% of the Gross Domestic Production [GDP]. We opposed this when we were part of the governing alliance through our participation COSATU (Congress of South African Trade Unions). We consistently demanded the scrapping of GEAR as it was a terrible policy for the South African working class. Instead of championing nationalisation of commanding heights of the economy and drive a job-led industrial strategy, GEAR defended and maintained the continuation of the extraction of South Africa’s minerals to the benefit of a handful of capitalists. Instead of promoting beneficiation to defend existing jobs and to build new sectors and to create jobs, GEAR promoted deregulation of the goods and services market. As a result, South Africa reduced tariffs far lower than what was agreed by the rest of world in the WTO, and this macro-economic framework resulted in significant capital outflows, both legal and illegal. Many South African companies were then allowed to list on the London or New York stock

exchanges. This was capital that would have been vital for development”. Jim makes the point that the privatized South African Reserve Bank kept the concentration of wealth in white hands, and increased inequality. “We want a reversal of this situation. For us – for example – it is criminal that in 2018, 87% of land still belongs to a small minority as it did in pre-apartheid, while a black majority lives crammed on 13% of the land, and with poor or non-existent infrastructure. It was against this background that in 2013 Numsa members resolved that it was high time that the working class stop tailing behind the bourgeoisie and that the working class should organise as a class *for itself* and champion class struggle as the only guarantee for change. And for demanding a revolutionary agenda, NUMSA was expelled from COSATU despite NUMSA doing everything to preserve the unity of the working class. Following our expulsion, we were left with no option but launch a new federation called SAFTU...We are now working as a catalyst for the formation of the Socialist Revolutionary Workers’ party, which NUMSA is helping to establish – concluded Jim – that has as its mission overcoming capitalism, to change the relations of production and to socialise the means of production under worker control”.

The Numsa general secretary directs radical criticism in respect of the class compromise advanced by the ANC; this criticism has to be understood in relation to the history and present of class and racial domination and segregation; a country where the control of the economy remains in the hand of a few and where the white minority (8% of the population) is still oblivious to its privileges rooted in the atrocities of colonialism and apartheid. A colonial legacy that has not been substantially transformed by the policies of affirmative action undertaken by the ANC government to promote the appointment of blacks to managerial positions or onto industries’ boards. Whereas black middle class has stemmed out of these policies it remains is a very thin layer of the black population, predominantly poor. And especially among the black youth, we begin to see stronger criticisms creeping in, even against the past struggle. There is a new party, the EFF (Economic Freedom Fighters) of young people that have left the ANC. They are questioning the agreements signed with international capital, they want land expropriation and nationalization. They are effective in communication strategies and seem to attack the ANC from the left but due to their populist approach are not necessarily winning the hearts and souls of the working class at large. One hundred years after the birth of Nelson Mandela: liberalism, populism or revolution?

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