

NGO matters

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we come?

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Privatisation: how far have 'we' come?

Lucien van der Walt, lecturer at Wits University, gives a brief overview of privatisation, past, present and future, in South Africa.

In 1987, the apartheid government produced a White Paper on Privatisation and Deregulation. Its main accomplishment was the sale of Iscor in 1989. The ANC, which was prominent in union and mass democratic movement's anti-privatisation campaigns in the early 1990s, became one of privatisation's main supporters in 1994. Post-1994 privatisation has taken place at both national and local government levels.

In 1996, 30% of Telkom was sold off, and Sun Air was sold off in its entirety in 1997. A further state-owned company, Aventura, was sold in 1998. In February 1999, government announced that it would sell a stake in Safcol; this year it has announced that it would prioritise the restructuring of Denel, Eskom, Telkom and Transnet.

Who does privatisation benefit?

Government's religious adherence to the dogma of commercialising and privatising state-owned companies and local government functions, which is part of the neo-liberal GEAR programme, is often presented as a favour to - not an attack on - the working class and the poor.

For example, the Ministry of Public Enterprises' Accelerated Agenda Towards the Restructuring of State-owned Enterprises document released in August 2000, claims that the privatisation of Denel, Eskom, Telkom, and Transnet will lead to

- Better service provision, as efficient private companies take over from the supposedly inefficient public sector
- Job creation and skills development, as the privatised companies expand and thrive under the impact of competition
- More money for government services and infrastructure, in the form of a one-off government windfall of over R50 billion raised through the sale of these companies
- Black empowerment, with workers and communities being empowered by share-ownership in the new companies

The same rationale underlies the commercialisation of state-owned enterprises, where there has been work restructuring and speed-ups, outsourcing and mass lay-offs. Whether these companies are partly or wholly privatised, it is clear that government intends that they be run according to private sector capitalist principles.

No sector can escape the privatisation axe

Higher education has also come under the axe. With GEAR's firm commitment to an 'increased private sector involvement' in the tertiary sector, plus its subsidy cuts, a range of universities have outsourced support services staff and commercialised research and teaching.

Our cities and towns are following suit: one by one they are privatising service provision, management functions and 'non-core' local government assets. In 1996, government launched the Build, Operate, Train and Transfer (BoTT) programme, a privatised management programme to deliver water in rural areas; in the urban centres, the most well-known privatisation programme is Johannesburg's controversial 'Goli 2002' plan.

Labour resistance has greatly slowed the privatisation process, with SAMWU (South African Municipal Workers' Union) taking a lead with the launch of its national anti-privatisation campaign in 1997. Nonetheless, government has stated categorically that it will proceed regardless. Will labour continue to fight back? **M**

Lucien van der Walt lectures at Wits University. He is a member of the Concerned Academics Group, NEHAWU and the Anti-Privatisation Forum.