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Issue 207

SACP submission to Commission on State Capture

RED CARD FOR CORRUPTION!



SACP BUILDING – PAST LESSONS, FUTURE PROSPECTS



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EDITORIAL NOTES

The two variants of state capture

Over the past decade, the SACP has consistently identified two principal fronts of domestic struggle. It is a struggle against two versions of ‘state capture’ of the post-apartheid state. The first version of ‘state capture’ is the one that has featured prominently in the public space, the massive looting of public resources, and particularly of key state-owned enterprises like Eskom, Transnet, SAA, and Prasa. This first version of ‘state capture’ also involved the partially successful attempt to pervert the South African Revenue Services and the criminal justice system, the better to stay out of prison and to get away with the looting.

The network around disgraced President Zuma and the Gupta brothers was at the centre of much of this. But they were not alone, provincial politicians, civil servants, lumpen capitalists and even mainstream global capitalist corporations were involved.

But there is a second version of ‘state capture’ that is less commonly spoken about. This is the entrenchment of neoliberal hegemony within key parts of the state. This has involved the re-wiring of institutional hierarchies making the Treasury a ‘first among equals’ in the executive, and its axis with the South African Reserve Bank the over-riding authority of ‘what is possible, and what is not’. Behind this Treasury-SARB axis is the South African financial sector (the big banks, pension funds, and investment houses) along with international enforcers like the IMF, World Bank, and the rating agencies.

If the first variant of state capture massively weakened the capacity of our democratic state through plunder, the second variant has radically diminished state capacity through austerity driven de-funding of key public utilities, ill-considered privatisation, and costly public-private partnerships (like the Gautrain and e-tolls) where private corporations reap profits and the state carries all the risks.

What confuses matters in the public mind is that Treasury itself and a neoliberal-inclined mainstream media present Treasury as the key bastion against 'state capture'. And, it is true, that ministers of finance and Treasury officials have at times played important roles in resisting and exposing the worst of state capture (variant one). But this should not obscure the brutal impact of neoliberal austerity on unemployment levels, on deepening inequality, and on multi-dimensional poverty for the majority. Nor should it obscure the reality of a revolving door between senior positions in Treasury, or in the SARB and well-paid jobs in the private banks. Moreover, we shouldn't fail to notice how, while our economy and society are lurching from crisis to crisis, the major banks are reporting large profit increases thanks to the SARB's punitive interest rate hikes.

Whatever the contradictions and mutual hostility between the main protagonists involved in the two variants of state capture, it is also important to understand how elements of the second state capture reality have unintentionally but predictably paved the way for the Zuma-Gupta style of public resource plundering.

Demonstrating this was a key objective of the SACP's formal submission to the Zondo commission of inquiry into state capture. In this issue of the African Communist we publish this submission for the first time. The submission demonstrates (at some length) how the misguided neoliberal reform of public administration in South Africa after 1994, under the aegis of the so-called 'new public management'

approach, increasingly transformed government departments into procurers from the private sector, outsourcing skills, know-how and productive capacity.

The resulting weakening of effective state capacity was further compromised by another feature of what the SACP has described as the '1996 class project' of the Mbeki years. To win support from within the ANC for the neoliberal turn, and to change the class character of the ANC, the 1996 class project, working closely with established monopoly capital, actively drove a narrow, elite-pacting 'black economic empowerment' (BEE) programme. Initially, a few dozen politically connected individuals from within ANC circles became the beneficiaries of multi-million financially-structured deals. The beneficiaries were, by and large, selected by the private sector and suggested by the dominant grouping within the ANC, not because of their business skills but because of their proximity to political power.

The combination of an outsourcing state turned procurer from the private sector and new BEE intermediaries between the state and monopoly capital immediately resulted in a moral hazard of significant proportions. This only worsened when not all aspirant BEE primitive accumulators could be accommodated within the charmed inner-circle of the major national and multi-national deals. Lesser accumulators, some in ANC-ruled provinces, some in the leadership of the ANC Youth League grew envious and were adeptly mobilised by Zuma as the 'walking wounded' in the run-up to the ANC's 2007 Polokwane national conference. Zuma's victory at Polokwane and subsequent elevation in 2009 as state president opened the floodgates to the wholesale plundering of public resources. But the basis for these developments had been laid, however unintentionally, by the earlier neoliberal turn of the 1996 class project.

So where are we now? And what are the responsibilities of the SACP

in this current conjuncture? Since the enforced and reluctant resignation of Zuma in 2017, there has been slow but not insignificant progress in dealing with the massive corruption of the Zuma-Gupta state capture years. The SACP needs to continue playing an active role with a broad front of forces in the struggle against corruption and moral decay, in rebuilding key state resources like the South African Revenue Services and the criminal justice system.

But the Party also needs to help build a broad popular front against the ravages of neoliberalism. In other contributions to this issue, there are critical and self-critical reflections on how to approach this key strategic task. Is the Party currently structured and resourced adequately to take on this challenge? Are the objectives of reconfiguring the Alliance and of building a left popular front alternatives, or are they complementary? And what can we learn from international experiences of popular fronts?

In this issue of the African Communist contributors are not seeking to provide definitive answers so much as to open up an important and comradely debate. ●

STATE CAPTURE

SACP submission to the Judicial Commission of Inquiry into Allegations of State Capture

The following is the full text of the submission by the SACP, in June 2021, to the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector including Organs of State, better known as the Zondo Commission

1. Introduction

- 1.1. The South African Communist Party was the first public voice, as far as we are aware, to call for a judicial commission of inquiry into state capture.¹ We made the call in March 2016 as a result of growing concern over the burgeoning impact of what had become known as ‘state capture’, the threat it posed to our constitutional democracy, and the apparent inability or unwillingness of the appropriate investigative and prosecutorial authorities to act decisively.
- 1.2. The objective of this SACP submission to the Commission is to reflect on policy and institutional choices and practices that we believe have directly, if unintentionally, contributed to enabling the state capture reality in South Africa. In particular, we will focus

on three interacting policies that were driven from the 1990s – the adoption of a version of the New Public Management model; a particularly narrow version of Black Economic Empowerment; and what was termed ‘cadre deployment’.

- 1.3. Individually these policies, programmes and their resulting practices and institutional impacts did not make state capture inevitable. However, together in their interaction and especially in the particular socio-economic context of post-apartheid South Africa, characterised by extreme levels of poverty, inequality and unemployment, they have contributed systemically, as causal drivers, to the extensive and problematic hold that state capture acquired.
- 1.4. This submission is based on the collective experience of the SACP over the past two and a half decades. The SACP is not represented directly in Parliament or in the executive. However, as part of the ANC-led Alliance, and in the context of dual membership, many SACP members have served and/or continue to serve in legislatures and executives by virtue of their ANC membership. Many of the problematic policy, institutional and other realities examined in this submission have been the subject of fairly intense debate and often ongoing critique within the SACP and with our partners over several years. The intention of this submission is not to evade collective responsibility or to adopt an annoying ‘we told you so’ stance. The evidence led before this Commission should be a spur to engage in collective self-reflection for all of us within the ANC-led Alliance, including the SACP. We hope this submission will be of some value to the Commission in its efforts to clearly define the main features of the problem and its scope, analyse its primary causes and make recommendations on actions which are necessary and sufficient

to address these causes.

2. What is the problem we are seeking to address?

- 2.1. The terms of reference of this Commission understandably (and correctly) are often explicit in referencing the Gupta-Zuma axis, but these terms of reference also require a more general inquiry into, investigation of, and recommendations regarding state capture, corruption and fraud within the state and between state functionaries and private individuals, families, and private corporations. We submit, therefore, that the wider, more systemic areas upon which we focus for consideration in this submission are very much within the Commission's terms of reference. We need to factor this broader phenomenon into our understanding of the problem, the key drivers and enablers of the problem and the actions necessary to address root causes.
- 2.2. The Gupta network involving a single family and a state president together with their respective networks is the most egregious form of state capture in South Africa. But what made this kind of state capture possible in the first place? What are the systemic factors that enabled it and how are they causally related? An explanation which assumes that this is simply deviant behaviour of individuals or a network of individuals inside and outside of the state is obviously unsatisfactory.
- 2.3. Although the Gupta networks constitute the most egregious expression of the misappropriation of public resources for private benefit through the subversion of systems and the capture of institutions, the systemic and indeed endemic nature of state capture in South Africa is more than about Gupta networks both across time and location. We are not dealing with a single network or a single political project.

- 2.4. State capture, or at the very least many of its foundations, features and the key vectors behind it, preceded the Zuma presidency and have continued beyond his stepping down and the flight of the Gupta family overseas. State capture, in the sense of the systematic and institutionalised subordination of the public interest to private interests is also not confined to the national sphere of government, with state capture features often in evidence in the provincial and local spheres.² Indeed, we believe that much of the early momentum for state capture came from within certain provinces.
- 2.5. Since the term ‘state capture’ is disputed, it is worth briefly, first considering the term’s uses and abuses.

3. What do we mean by state capture in the South African context?

- 3.1. “There is no such thing as state capture”. Some have dismissed entirely the notion of state capture. Former President Jacob Zuma has repeated this view several times.³ While there might be more precise terms to describe the reality broadly designated by ‘state capture’ in our context, it is a term that has gained currency and entered general usage. Used as an effective working concept, the idea of state capture helps to point to a serious nexus of converging realities within our body politic.
- 3.2. “The state is always captured – so what’s all the fuss about?” - This is another dismissive approach to the idea of state capture and, therefore, to the work of this Commission.
- 3.3. The SACP perhaps has a special responsibility to engage publicly with this view, since the argument often presents itself as a ‘Marxist’ perspective. The “state is always captured”, seemingly the opposite of the denialist approach in 3.1 above, in practice, often serves to complement it.

- 3.4. This is not to deny that those with economic class power have considerable, indeed a dominant, and in our view problematic influence over the state in ways that subordinate the public interest to the private interests of powerful sectors and corporations, often in ways that are considered generally legitimate and within the bounds of the law in a liberal democracy. In the words of the academic Robert McChesney reflecting on politics in the United States: “Corruption in Congress and across the government today is only rarely of the traditional bribery kind. It is instead a far more structural dependence upon corporate money built into the DNA of the political system – traditional pay-offs are not necessary.”⁴ This kind of influence, albeit ‘legal’, is deeply problematic, not least in a society like South Africa in which there are great extremes of income and wealth inequality, marked by class, racialised and gendered factors.
- 3.5. Apart from a more general hegemonic dominance, the more direct ways in which this kind of economic class power is wielded include a revolving door between political office and the private corporate world; dependencies on corporate political party funding; aggressive business lobbying; and private ownership of major media houses, however regulated all of these might be.⁵ How best to ameliorate the negative impact of these realities through regulation (mandatory cooling off periods after retiring from political office; political party funding regulations; declarations of interest; lifestyle audits, etc.) are all important issues. They are not, however, the particular focus of this submission.
- 3.6. Of course, this kind of economic class domination might also, loosely, be described as ‘state capture’. The problem arises when this kind of class domination is equated with what is being referred to as state capture in our current reality. Apart from

its excessive over-simplification, the problem with the ‘state is always captured’ perspective, and specifically in the way that it is advanced in the current South African context, is that it either results in a resigned passivity, or it explicitly (or implicitly) seeks to legitimise the looting of public resources through a parasitic capture of public institutions and assets. It fails to recognise the specificity and extent of the subversion of the public interest that has taken root in South Africa and its impact on not only deepening poverty and inequality but in undermining possibilities for addressing them. It is the poor who have overwhelmingly had to bear the brunt of the impact of state capture.

- 3.7. The “state is always captured” is typically hitched to an argument that what is happening in South Africa is a contest between established, so-called ‘white monopoly capital’ and their ‘surrogates’, who are said to be the incumbent capturers of the state, on the one hand, and a supposed emergent and singular ‘black capitalist class’, on the other. This leads to the accusation that the way in which the current focus on state capture is shaped (and therefore the work of this Commission) is one-sidedly and unfairly focused on the latter’s ‘legitimate’ aspirations to ‘de-racialise’ economic ownership and wealth in our country.⁶ The focus of the Commission is then alleged to be furthering the interests of ‘white monopoly capital’ and limiting the access of black entrepreneurs to the influence and power that the historical incumbents have enjoyed for so long.
- 3.8. While there are real issues related to the continued dominance of white interests in business, we submit that this line of argument is a transparent attempt to provide ideological cover for the actual state capture looting that has been underway, in which the principal victims are the majority of South Africans, especially

black South Africans. State capture has weakened the democratic sovereignty of our country; corroded the capacity of the state and strategic state-owned enterprises to drive reconstruction and development; factionalised much of the political party space around a pursuit of tender opportunities rather than policy discussion and debate; and deepened class, racialised, gendered and geographical inequalities.

- 3.9. In subsequent sections of this submission, we will consider why, nonetheless, the attempt to portray state capture as somehow ‘progressive’, ‘radical’, ‘liberatory’, even ‘patriotic’ has some resonance beyond just the immediate beneficiaries of state capture who, understandably, might want to portray their wrongdoing in such a light. We will suggest that earlier policy choices, however well-intentioned, and particularly the development and ideological framing of Black Economic Empowerment policy and practice, have been a factor in eroding the values and practices of public service and equity and legitimising private benefit from public resources.
- 3.10. The World Bank’s approach to state capture – The term ‘state capture’ was given international currency in recent times by the World Bank’s 2000 publication *Anticorruption in Transition*.⁷ It was based on research done on the former COMECON East and Central European states by the European Bank for Reconstruction and Development (EBRD).⁸
- 3.11. The focus of the World Bank’s concern was why the transition to ‘market economies’ and ‘liberal democracies’ in these countries after 1990 did not yield the positive economic and social outcomes that the Bank had anticipated. For the purposes of this submission, we will not enter into a critique of the World Bank’s original assumptions or its promotion of what it calls ‘market

economies'. However, it is important to note that the Bank's definition of 'state capture' is narrow (essentially describing it as a form of regulatory capture). While regulatory capture has certainly been one of the features of state capture in South Africa, the general way in which the term "state capture" is used in South Africa, and how we seek to deploy the term in this submission, is much wider than the Bank's.

- 3.12. However, what is suggestive for our purposes is the World Bank's location of the state capture phenomenon in "transitional societies". The context and nature of the East and Central European transitions occurring in the 1990s, and to which the World Bank was referring, were considerably different in context and character to the democratic transition occurring at much the same time in South Africa. Nevertheless, the transitional character of the South African reality, with its inevitable interplay and clash of old legacies and new aspirations, of incumbent and emerging political and economic elites, is key to understanding the character of state capture here in South Africa.
- 3.13. In the context of transitions, the World Bank and others from the 1980s promoted a range of 'plug and play', 'good governance' policy and institutional measures that were supposedly universally appropriate, essential policies to be adopted by societies like South Africa and those in Central and Eastern Europe involved in an assumed and singular global 'third wave of democratisation'. Some of these were problematically embraced after 1994 in South Africa, particularly under the aegis of the so-called New Public Management model.

4. A South African variant of the New Public Management approach – the wholesale borrowing of a corrosive 'solution' for public sector

problems we did not have

- 4.1. Unlike the other two vectors (BEE and cadre deployment) explored later in this submission as contributing factors to state capture, public service reform in post-apartheid South Africa has received little attention.⁹ Yet, we believe that a consideration of post-apartheid public sector reform is an important key to understanding factors that have made state capture possible and to identifying changes necessary to address it.
- 4.2. In the mid-1990s, New Public Management (NPM) was touted in South Africa, particularly by a range of foreign consultants, as the new gold standard for public service reform and the definition of what constituted good management and governance practice.
- 4.3. The NPM model was originally developed in policy think tanks and academic circles in the 1970s. It gained greater practical application in the 1980s in developed Anglo-phone societies with perceived public administration challenges associated with what was portrayed as excessively rule-bound welfare bureaucracies – Australia, New Zealand and, to some extent, the UK. The NPM paradigm contrasted its approach of ‘lean and nimble’ organisation and ‘value for money’ with the former normative ‘Weberian’ models of public administration which were held to be excessively bloated, bureaucratic and hierarchical.
- 4.4. It is important to note that the problem (real or otherwise) for which the NPM model was advanced as an answer, did not remotely apply to the post-apartheid South African reality. The public administration and broader socio-economic challenges that South Africa was facing in the early 1990s were not those of a supposedly unwieldy, overly predictable and routinised welfare state bureaucracy. By the end of apartheid, what remained of a narrow whites-only welfare bureaucracy in an authoritarian

and increasingly militarised central state had been considerably corrupted by shadowy intelligence and sanctions-busting networks.¹⁰ In orbit around the central state was an array of ethnic ‘independent states’ and ‘self-governing territories’. Collectively there were 151 government departments and a myriad of white and black municipalities.¹¹ In short, the public service legacy challenges faced in our immediate post-apartheid democracy were not remotely akin to those of a mature welfare state.

- 4.5. The degree to which the introduction of NPM achieved improvements even in developed welfare societies like the UK, Australia and New Zealand remains the subject of considerable academic and political debate. However, even at the time we adopted aspects of NPM here in South Africa, there was already a growing mainstream recognition of its limitations. There is now a well-established body of research critiquing NPM and its applicability even in relatively more developed and less unequal societies than our own.¹²
- 4.6. Internationally, the focus of the NPM reforms was initially typified as ‘managerialist’, increasing management discretion by removing regulation, ‘let the managers manage’, while focusing on enhancing control over ‘deliverables’ and budgets.
- 4.7. In most countries, this was followed by a second phase which was more focused on marketisation of ‘delivery’, with the idea that the ‘state should steer, not row’. Coinciding and overlapping with the swing to what later became known as neoliberal macroeconomic policies, NPM sought to make the public service more flexible, more efficient and business-like by deploying not only private sector management tools, but also by emulating the value systems of business by, for instance, reconceptualising citizens as ‘customers’ on a market.

- 4.8. Given the specific mandate of this Commission, we wish to focus on how the NPM model, not least in the South African context and despite its central claims, has drastically undermined effective, public sector accountability. We identify four assumptions in the NPM model on how accountability for effective and efficient public service would be achieved. The failure in practice of these assumptions has, unintentionally, enabled massive and systemic looting of public resources.
- 4.9. **Assumption One: Improved accountability and results could be achieved through pre-specified outputs allocated to individual managers to ‘deliver’** – this cornerstone of the NPM model lies at the heart of many problems we have encountered and which are relevant to understanding a key vector in facilitating state capture.
- 4.10. In the first place, the model assumes that there are discrete results that are within the control of the individual manager to whom they are allocated. As Mintzberg notes this can only work if the following conditions are met: “Particular activities can be isolated – both from one another and from direct authority; performance can be fully and objectively evaluated by objective measures; activities can be entrusted to autonomous professional managers held responsible for them”.¹³ He concludes: “These assumptions, in my opinion, collapse in the face of what most government agencies do and how they work.”
- 4.11. Management control exercised through divisional output targets might work relatively well in a private corporation, with so many items rolled off the production line or so many sales achieved. In the public service, departmental output targets are likely to distort the complexity of much of public service, particularly when addressing key social priorities that require inter-departmental,

often all-of-government, and even government and community collaboration.

- 4.12. The centralised specification of predetermined outputs accompanied by the devolution of procurement has meant “that the capacity of organisations and management processes to respond to critical issues facing public services is very limited. Such issues have been termed ‘wicked issues’ and include crime, poverty, community safety, the care of the elderly and of people with disabilities, economic regeneration, environmental issues, transport, child protection and a host of others (...) The combined managerial and policy deficits in a dispersed field of power militates against the development of a capacity to address issues which resist being neatly defined as managerial problems.”¹⁴ Needless to say, this list of NPM defying ‘wicked issues’ looks very much like a list of the key priorities facing South Africa
- 4.13 The casting of public servants as generic managers under the discipline of key performance indicators defined as measurable outputs and with financial incentivisation has also led to tendencies to de-professionalisation. Some activities within the broad public service are relatively routine – the issuing of identity and other documents by Home Affairs officials, for instance, or the payment of social security grants by Social Development and SASSA officials. In these and other cases where safety or fairness (appointments in the civil service) are of prime importance, clear and transparent rules and procedures are absolutely imperative.
- 4.14. Many other public service activities are, by their very nature, of a different order. While still necessarily governed by an appropriate framework of rules, much public sector work requires the exercise of considerable professional discretion and adaptability. School teachers, or healthcare workers, or police officers should have the

professional training and capacity to respond appropriately to the situation that presents itself to them at any one time. Narrow and highly centralised attempts to manage classroom teaching by having every Grade Four class in the country, for instance, to be on the same page of a workbook on a given day undermine the necessary professional discretion that a teacher needs in order to respond appropriately to specific classroom conditions and individual learners' needs. Likewise, attempts to evaluate police station success rates in terms of crimes reported to the station abstract from vastly different social realities.

- 4.15. These inappropriate attempts at achieving accountability through centralised management tend to de-professionalise major areas of public service, sowing demoralisation, while promoting generic managers over professionals. It is our submission that this often results in demotivation and even removes a sense of accountability ('I was on the correct page of the workbook every day and yet my class failed – so whose fault is that?') and a passive-aggressive compliance with delivery outputs determined elsewhere and irrelevant to the actual complexity of the situation at hand.
- 4.16. With reporting channels running up line departments and based largely on outputs, broader social outcomes and therefore accountability to the public interest easily get lost. Officials may report, for instance, accurately on numbers of RDP houses built, or taps installed. Evaluation of performance, control and further planning are then based on these output numbers. But because performance bonuses are based on ticking off output numbers like these, public servants are loath to draw attention to actual outcomes – the poor quality of the houses, perhaps, or no water in the installed taps ('it was the responsibility of

another department’). Not only does this lead to a false sense of complacency within government, but there is a failure within the system to learn and to improve.

- 4.17. With motivation to be achieved primarily through personal financial incentives (pay for performance), in which professional peer group collegiality is discounted, considerable energy is often directed to gaming the system, further contributing to cynicism and a loss of a public service ethics. It is a problem with the NPM model that the former Australian Auditor-General lucidly identified: “Ethical behaviour is one of the principal means by which accountability is maintained in the public sector. Indeed, political and administrative accountability depend on the observance of ethical standards and ethical relations between individuals or between institutions.”¹⁵ Pointing to the limiting impact of the NPM accountability model, he continues: “At the risk of stating the obvious, the public sector operates, first and foremost, in a political climate which is values-oriented as witnessed by the constant references to the ‘public interest’, which has always been difficult to define or measure in any generally agreed fashion (...) This means that public sector agencies must balance complex political, social and economic objectives, which subject them to a different set of external constraints and influences than those experienced in the private sector.”¹⁶
- 4.18. In summary, there is a widespread recognition internationally, including by those countries from which we borrowed NPM, that many areas of public sector work cannot be rendered into predictable outputs for which individual managers can be held accountable. In South Africa, we have seen the progressive rendering of APPs and their associated KPIs into meaningless bean-counting. The focus on control has also meant public

servants game the system in order to ensure they are never caught short. Gaming has introduced a level of dishonesty in the system and importantly has suppressed learning in a situation like South Africa's with complex challenges where learning is essential. This failure of learning has particularly applied to the key departments with transversal responsibilities for public administration (DPSA, Treasury, COGTA). Reliance on crude output-based measures and supposed best practice in managerial systems has led to a failure to recognise and deal with early signs of the weakness and inappropriateness of this model. This failure has been a significant contributor to the pathologies of state capture.

- 4.19. **Assumption Two: "Let managers manage" - devolve key responsibilities to achieve accountability.** While managers in the NPM model are held accountable to externally determined 'outputs', this accountability is nominally entrenched at their level by letting 'managers manage' how they 'deliver' these outputs, in particular, by removing procedural controls and institutional mechanisms in regard to HR appointment processes.
- 4.20. Problems arising from this approach were quickly recognised in some of the early pioneers of NPM. By the mid-1990s steps were taken in these countries to remedy the problem. "Problems arising from the radical decentralisation of HR, specifically appointments, contributed to the re-establishment of stronger, direct centralised control or oversight over employment decisions by a relatively independent entity, specifically for senior appointments, and through budget controls on overall establishment. The mid-1990s saw the beginning of a resurgence of the central agencies performing this human resource management function in most jurisdictions across Australia. Expectations of an apolitical, merit-based public service 'cadre' united by a common ethical base

strengthened, and as a result most governments re-established the role of Independent Commissioners to ‘oversee and protect’ the ethics and standards of public sector employment.”¹⁷

- 4.21. Despite this international experience and these warnings, in South Africa we have been slow to entrench an effective, independent centralised public service authority able to promote ethical public sector management and reform particularly in regard to public sector appointments. It is important to remember that in countries first adopting NPM, like Australia or New Zealand, NPM measures were an overlay upon well-established, professional administrations. In our situation, the problems subsequently identified in these countries with NPM, have been compounded by the reality that this paradigm has tended to be the entire story rather than an overlay. In most departments in South Africa the HR function is relegated to a relatively junior status, and the nominally independent Public Service Commission appears to live in the shadow of the Department of Public Service and Administration. The PSC has not been assertive, or has not been allowed to be so.
- 4.22. No performance management system can fix a bad appointment, and many department heads complain of having full-time staff in senior management positions who do not have the requisite professional capacities or inclination or ability to acquire them. Even more problematically, the decentralisation of the HR function without effective oversight mechanisms has led to wide-scale irregular, unethical and often plainly corrupt appointments. As we will note later, this problem is compounded by crisis levels of unemployment and with public sector jobs often being the only prospect of escaping a lifetime of poverty. For many years, for instance, there have been allegations that teachers are being hired in some schools on the basis

of bribes, and yet the state has been unable to effectively investigate and deal with the problem. This Commission has, of course, heard many allegations relating to state capture-related, high-level appointments into government and SOEs.

- 4.23. **Assumption Three: ‘the state must steer, not row’ - Greater efficiency and accountability can be achieved through a public-purchaser/private-provider split** – the problems noted above related to the weakness in systems to ensure accountability, learning and improvement have been exacerbated by the assumption that efficiency and effectiveness will automatically be enhanced by the public service becoming primarily a manager of contracts, a procurer of services, to be delivered by the private sector.
- 4.24. Again, there is an extensive international literature warning of the challenges in this third NPM assumption regarding accountability. Interestingly, given the role played by Australia in pioneering much of the NPM model, the former Australian Auditor General is, once again, an instructive voice: “Despite the volumes of advice on best practice which emphasise the need to approach contracting out cautiously, to invest heavily in all aspects of the process and to prepare carefully for the actual implementation, and the substantial body of comment in reports from the Auditor-General indicating that Commonwealth agencies have a very mixed record as project and contract managers, the prevailing ethos still seems to promote contracting out as a management option that will yield inevitable benefits.”¹⁸
- 4.25. Further on, Barrett notes: “The alignment between these core public service values and those of a contractor are particularly important in any outsourcing arrangement. Such alignment is essential if there is to be a genuine partnership arrangement

in place, particularly where an organisation's core business is involved. However, as observed by the well-known author and academic Peter Hennessy: 'Pieces of paper are one thing, real belief systems quite another. It is very hard to export the public service ethic into the private contractor hinterland. Commercial contracts are not susceptible to a fool-proof public service ethical override.'¹⁹

- 4.26. The problems built into a contracting-out state model resting on pre-specification of results in a complex situation are exacerbated by the lack of capacity in the public sector to understand the technical requirements, the reasonable cost, and to oversee the project to ensure the results meet the public interest. This is certainly a major challenge in South Africa.
- 4.27. The 'steer not row' maxim, turning the state from a doer, from a direct service provider to a procurer, was meant to introduce greater efficiencies, to lower costs to the fiscus, and to do 'more with less'. There is now considerable evidence internationally that outsourced, privatised public goods and services often do not prove to be more efficient or cost effective, even when no corruption is involved.²⁰
- 4.28. This needs to be borne in mind, particularly in situations where the strictures of NPM coincide with fiscal pressures (real or assumed) to cut public spending. A non-strategic, across-the-board cutting of the public sector wage bill, for instance, could actually add to fiscal pressures on the public purse through increased contracting out costs, especially for skilled professionals.
- 4.29. For instance, had the investigative and prosecutorial capacity of the state not been deliberately eroded by state capture and, it also needs to be added, by non-strategic public sector cost-cutting measures, much of the work conducted by this Commission could

and should have been performed by the National Prosecuting Authority, the Special Investigative Unit and other permanent state structures long before the problem got so out of hand.

- 4.30. The capacity and long-term effectiveness of the NPA, for instance, was not just negatively impacted by problematic deployments and other state capture interference, as testified before the Commission, but surely also by the 2015 cancellation of the NPA's 'aspirant prosecutor' programme, with no new prosecutors trained or hired at all 'owing to fiscal constraints'. In March 2020, the NPA told parliament there were 1351 vacant posts out of a total of 5550.²¹ These 'cost-cutting' measures, paradoxically, will considerably have added to the overall public fiscal costs.
- 4.31. Moreover, the risks and moral hazard of turning the state's functions increasingly into tendering and procuring has, needless to say, been amply demonstrated by the avalanche of testimonies presented to this Commission.
- 4.32. In a mixed economy, the state will always have to procure to some degree from the private sector. However, when this procurement is massively expanded and when public administrators are increasingly seen as 'generic managers' of contracts at a distance, rather than public servants with professional competence in their particular fields of public service, problems are likely to arise. Without professional competence in a particular field, procurement choices and the outsourcing of services, even without corruption or other irregularities, are liable to be compromised by the asymmetry in competence. The supposed 'steering' state can easily be steered by the 'rowers', a case of a much more powerful and informed tail wagging the dog.
- 4.33. The problem of rowers steering has been accentuated in many cases in South Africa where even policy development and planning

(nominally the key instruments for a steering state in the NPM model) are regularly outsourced to private consultancies, many of them associated with particular commercial technologies and services. This Commission, again, has heard ample evidence of the role of external consultancy firms (some of them large global players) willingly and beneficially to themselves developing policy for public entities on behalf of state capture networks.

- 4.34. With much of state procurement now at arm's length, with procurement divisionalised, in line with the Public Finance Management Act and the NPM approach, with the 'purchaser/provider' split, the tendency of departments to act in silos, has further bedevilled capacity to address cross-cutting issues effectively. Instead of the state, with its large bulk procurement requirements becoming a price-maker, fragmented procurement has further opened up the state to inflated costs and often corrupt capture.²²
- 4.35. **Assumption Four: The NPM's self-assured, 'common-sense' certainty of being 'international best practice'** – the NPM's central claim has been that it would improve efficiency, effectiveness and accountability. The question then arises as to why in the face of such patent failures in South Africa, not least in the light of the state capture epidemic, we have not moved, as a country, more effectively to learn, develop and improve public administration reform.
- 4.36. Part of the answer is certainly that those who have benefited from the loop-holes in a system that is unable to effectively ensure ethical, public service accountability in the public interest, have been happy to allow inertia or even to block concerted attempts at reform.
- 4.37. Treasury, to its credit, has often been the most important

institutional bulwark against runaway corruption and the looting of public resources by state capture networks. But this commendable role has reinforced the assumption that financial accountability through such instruments as the Public Finance Management Act is the key to achieving efficiency and ethical public sector reform. This in turn has reinforced the problematic over-reaching role of Treasury in public administration, with inclinations in Treasury to develop an array of sectoral ‘international best practice’ policy capacities beyond its more specific fiscal area. This has been a characteristic also in other countries where NPM has been extensively deployed. This results in Treasury using its dominant role in the budget-making process to second-guess sectoral policy that is more properly the responsibility of other departments. The idea of achieving classroom accountability by stipulating specific national ‘outputs’ in terms of where to be in a workbook on a given day was, for instance, a strong recommendation emanating from Treasury.

- 4.38. Built into the way in which NPM has been implemented in South Africa has been the effective blocking of the ability to learn from, develop and improve policy and practice. This in turn has meant that key departments responsible for transversal coordination of the public service (DPSA, Treasury, and COGTA) have never evaluated their own roles in strengthening or unwittingly weakening public sector accountability. As elaborated above, accountability through pre-specified outputs that typically ignore the complexity of much public service work, in which accountability is often viewed as essentially punitive in character, means that public sector managers are not encouraged to report on problems, or under-achievements due to complexities beyond their control. Effective monitoring, evaluation and,

above all, collective learning, suffer as a result. This results in a degree of complacency in the key transversal departments, and the important and ongoing importance of iterative planning is incapacitated.

- 4.39. In the face of failures, the fall-back position becomes the assertion that the NPM model is 'international best practice', the policy is fine and beyond question, 'it is just implementation' that is at fault. But surely chronic implementation' failures are a sign of policy failure.
- 4.40. The 'delivery' state and the problem of accountability to the public – in the preceding sections we have focused on the many weaknesses of the NPM accountability mechanisms within the public service and state in South Africa. But what of accountability to the broader public?
- 4.41. We have already noted that a key element of the NPM's managerialist paradigm is the reduction of citizens to 'customers'. This reduction tendentially transforms public service to a marketplace transaction, in which citizens become atomised purchasers. As Cox et al note: "NPM hinders any return to substantive democracy and limits the degree to which citizens can meaningfully effect policy and administration...when citizens are recast as consumers, they operate within an attenuated form of democracy: (...) to extol the consumer is to deny the citizen".²³
- 4.42. In the private sector, in theory at least, individual consumers have a 'voice' through the choices made on the market. These provide market signals with the purchase of a particular brand of article or service in preference to another. But most public services (health-care, education, safety and security) are not, and should not be, for-profit brands competing for market-share. For a majority of citizens, not least in a society like South Africa,

when it comes to healthcare, or community and personal safety, or education there is no ‘market-choice’, no option of going to the private healthcare market with a medical aid, or purchasing private security, or paying for private schooling. A model of public service that seeks to emulate the ‘efficiencies’ of the private sector, where the public interest is subordinated to prices and markets and citizens are seen as ‘client/consumers’, will result in poor redistributive outcomes and the deepening of inequality.

- 4.43. This undercuts effective and meaningful accountability of the state to the public it nominally serves. With NPM managers focused on service ‘delivery’ and on the management of performance-based contracts rather than participatory engagement with society, the critical developmental role of public participation and popular developmental activism is eroded. It is notable how many South African communities resort to expressing their frustrations in ‘service delivery protests’, outside of any NPM transactional, ‘market space’ while, at the same time, enacting their vocation as supposed ‘customers’ (in this case, frustrated customers) of ‘service delivery’, rather than as co-producers of development with a shared responsibility for the well-being of their communities.
- 4.44. The service-delivery model of public administration also often puts unsustainable pressures on politicians. For instance, as one mayor involved in a public participatory work-shop once remarked: “There is no way I will expose myself to public participatory planning. The community will insist on having one ambulance in every street.”²⁴ The mayor in question clearly felt that ‘delivering’ ambulances was his personal responsibility, rather than assisting the collective identification of community priorities and the resources available for these in a transparent

and participatory manner.

- 4.45. On its own, the introduction of a variant of the NPM model in public service reform in South Africa, however inappropriate it was, while making our state vulnerable, did not on its own make runaway state capture inevitable. Two other policy and practical factors, emerging out of quite different legacies, combined with NPM, and in the context of extreme levels of inequality and poverty, helped produce an environment that greatly facilitated state capture.

5. Elite Black Economic Empowerment

- 5.1. The SACP supports policy measures to collectively empower, and to promote popular mobilisation and agency for collective self-empowerment of those who continue to be disempowered by the legacy of colonial, internal colonial and racist and gendered oppression. Land reform and restitution, including the transformation of our persisting apartheid spatial urban and rural geography; a wide variety of affirmative action measures, including employment equity, the consolidation of a developmental public sector, the recognition of prior learning, significant public investment in social wage interventions (for example, safe, affordable and efficient public transport); and much more are important elements of such a broad-based empowerment of the majority of South Africans.
- 5.2. In fact, since at least 1929, this understanding of black empowerment has been a cornerstone of the Communist Party in South Africa's programmatic outlook. However, this programmatic outlook needs to be distinguished from what has evolved since the mid-1990s as formalised Black Economic Empowerment (BEE) policy and practices.

- 5.3. Early forerunners of what was to become BEE included late 1970s initiatives by some multi-national corporations in South Africa, feeling the pressures of the mounting global anti-apartheid movement's call to boycott apartheid South Africa, and the gathering momentum within the United Nations to apply sanctions. The 'Sullivan Code' was initiated by the Reverend Leon Sullivan, then a member of General Motors board of directors in the United States. The code provided limited measures for 'equal opportunity'. It was seen by the ANC and the SACP at the time as an attempt to blunt the isolation of apartheid South Africa.
- 5.4. In the course of the 1980s, there were also moves initiated by local corporations and elements within the apartheid state to create a 'buffer black middle class' to forestall the increasing influence of the still illegal ANC. Institutions like the Urban Foundation and the Independent Development Trust were active in this space and found interlocutors in formations like the National African Federated Chambers of Commerce (NAFCOC).
- 5.5. In order to understand the subsequent trajectory of what became known as BEE, it is useful to appreciate these earlier beginnings and, more especially, the active driving of BEE-type deals by corporate South Africa immediately before the ANC's 1994 electoral victory. With the imminent prospect of a changed political elite and political reality, established capital within South Africa was anxious to build new connections and influence. In part, established capital drew on an earlier 'transitional' moment, the 1948 electoral victory of the National Party which brought into government a new political elite that had at times been critical of capitalism, or, at least, of the dominance of Anglo-centric capitalists and corporations.²⁵
- 5.6. According to Mark Gevisser, it was in this period that Anglo-

American corporation's "Michael Spicer was charged with looking at the General Mining deal that the mining group had transacted some 40 years earlier with Afrikaner business (...) Could this provide a model?"²⁶ The upshot was that Anglo-American sold African Life and a range of industrial assets, packaged as Johnnic, to black beneficiaries. The more lucrative, at the time, platinum interests were not sold off.

- 5.7. Afrikaner business was also quick to get off the mark. Nthatho Motlana, who had been spurned in the Anglo deal, was reportedly told by Org Marais (then National Party Minister of Tourism): "Forget the English. Come and do business with the Afrikaners – ours is Metlife."²⁷ This latter deal gave rise to NAIL, which drew into its fold a number of prominent black political figures.
- 5.8. We are not implying that there was necessarily anything illegal about these deals. Nor are we suggesting that state capture was an inevitable outcome. There are, however, four issues that deserve highlighting and which, we argue, provided vectors that, in time, facilitated state capture:

* Whose agenda was it? While individuals associated with the ANC and broader liberation movement were beneficiaries, the agenda was initially driven by incumbent capital. It was seen as economic insurance, a means to ensure influence upon and a hotline to an impending new political reality. In short, it was a way of partially accommodating a new elite the better to avert more fundamental transformation.

* While estimations of potential business acumen might have been a factor, the selection of beneficiaries as 'partners' by incumbent corporations would also have been strongly influenced by calculations around who was and who was not likely to be close to, if not in, a future, post-apartheid government.

* Since the majority of beneficiaries were without capital themselves, the deals were based on debt, highly-leveraged shareholdings with repayments to be putatively made out of dividend earnings. This created many vulnerabilities and dependencies.

* Above all, although these practices came to be referred to and codified in legislation as BEE (later 'Broad Based' BEE), they were, essentially, intra-elite redistribution. They have had little impact, and probably even a negative impact on the majority of black South Africans. By 2010 it was estimated that at least R500-billion had been 'invested' in allocating shareholding to black groups. This compared to the less than R150-billion invested by the state in housing and land reform by that time.²⁸ Furthermore, bearing in mind that these deals involve (and have increasingly involved with the development of relatively complex codes and scorecards) major transactional costs, this represents a significant amount of capital that might have been more developmentally invested. BEE has certainly been one, if not the major factor, behind wealth inequality among Africans growing at a faster pace than general wealth inequality. By 2015, with a GINI coefficient of 0,56, intra-African inequality had climbed to close to the world record, with overall South African inequality at 0,59.²⁹

- 5.9. All of these factors resulted in considerable debate and differences within the ANC and ANC Alliance. While these deals were originally an agenda initiated by established capital, from within the ANC, then deputy president Thabo Mbeki and close associates in and around 1997 launched a concerted attempt to develop BEE as an integral part of the ANC's strategic agenda. At the centre of this was the attempt to use the state and its public resources more centrally in driving BEE.
- 5.10. A major policy shift in this direction was signalled by the

publication of an influential ANC discussion document: “The state, property relations and social transformation”.³⁰ In the light of what was later to become full-blooded state capture, it is worth quoting the key passage in this document in full: “An important element of the tasks of the state is ensuring that the glass ceiling of apartheid is removed from above the aspirations and ambitions of the black middle strata and capitalist class. In a systematic way, the national democratic revolution has to ensure that ownership of private capital is not defined in racial terms. Thus the new state – in its procurement policy, its programme of restructuring state assets, utilisation of instruments of empowerment, pressure and other measures – promotes the emergence of a black capitalist class.”³¹

- 5.11. At face value, these might seem like eminently acceptable and unproblematic perspectives. However, with the subsequent history of state capture in mind, closer scrutiny is required.
- 5.12. While all legal and other ‘glass ceiling’ restrictions based on race (and/or gender) on the right to trade or to own property needed to be (and have generally been) abolished, this passage from the ANC discussion document is going much further. It is advocating the ‘systematic’ and active promotion of a ‘black capitalist class’, owning ‘private capital’ as a major pillar of the ‘national democratic revolution’. This private capital accumulation is to be driven by state procurement policy and privatisation (‘restructuring state assets’). (Note how this begins to align with some of the core and problematic pillars of the NPM elaborated upon above).
- 5.13. The use of public resources to drive this form of elite private capital accumulation was justified on the grounds that it would create a new ‘patriotic bourgeoisie’ that, presumably, because of its dependency on the ANC state and some inherent

subjective values would be more inclined to contribute funding to the ANC, and more generally invest in job-creating productive investments within South Africa than their more established white counterparts.

- 5.14. These arguments also required a considerable reinvention of the more anti-elitist and solidaristic values that had been at the centre of the ANC's decades-long liberation struggle. At its 1969 Morogoro conference, for instance, the ANC explicitly declared: "Our nationalism must not be confused with chauvinism or narrow nationalism of a previous epoch. It must not be confused with the classical drive by an elitist group among the oppressed people to gain ascendancy so that they can replace the oppressed in the exploitation of the mass."³²
- 5.15. Speaking as president of the country, Thabo Mbeki implicitly affirmed the need for a reinvention of these values when he told the 1999 annual conference of the Black Management Forum: "we must abandon our embarrassment about the possibility of the emergence of successful and therefore prosperous black owners of productive property..."³³ Others were less embarrassed and took this re-invention of ANC values much further. Phumzile Mlambo-Ngcuka, then minister of mining and later deputy president asserted that "blacks should not be ashamed to be filthy rich" (2002); and Smuts Nkonyama famously said "I didn't struggle to be poor". Articulation of a new value set and its legitimation in such an unqualified form in word (and often in deed) was to play havoc within the ANC and broader society.
- 5.16. Aspirant capitalists without capital can only become capitalists through a process that Adam Smith described as 'primitive accumulation' (a term Karl Marx borrowed from Smith and expanded upon). Historically, the South African capitalist class

(which is still overwhelmingly white and male) was constituted out of a primitive accumulation process built on wealth plundered from colonial dispossession and consolidated through the hyper-exploitation of migrant black labour reproduced ‘cheaply’ on the back of survivalist subsistence activities mainly by women in the so-called native reserves (later bantustans). The emerging South African capitalist class from the late-19th century also accumulated capital by serving as local agents (a ‘comprador’ bourgeoisie) subordinate to metropolitan European capital that was the real driving force behind the mining industrial revolution of the late 19th and early 20th century.

- 5.17. Afrikaner capital accumulation that blossomed after the 1948 election victory of the National Party had its roots in the mobilisation of Afrikaner savings deriving largely from the agricultural sector, based in turn on colonial and later segregationist land dispossession and forced removals, coupled with hyper-exploitation of farm labour, including unpaid tenant (including child) labour, and even convict labour.³⁴
- 5.18. Primitive accumulation for a new stratum of aspirant capitalists without capital in post-apartheid South Africa could not justify accumulation on the basis of the racialised, hyper-exploitation of black labour. Which is why primitive accumulation on behalf of a new BEE elite has largely come in one of two forms (often in combination) – either as highly leveraged share acquisitions, or through the diversion of public resources by way of state procurement and/or privatisation. The SACP has described these two forms of accumulation as comprador accumulation (with all of its dangers of fronting) and parasitic accumulation.
- 5.19. Interestingly, the ANC’s 1998 discussion paper (“The state, property relations and social transformation”) acknowledged

the risks: “While these forces [an emergent black capitalist class] are direct beneficiaries of the national democratic revolution (...) they can easily be co-opted into the agendas of their white counterparts; and they can easily also become a source of corruption within the state.” In the face of this prophetic acknowledgment, the relevant paragraph of the document simply concludes: “ANC leadership of these forces is therefore critical.”³⁵

- 5.20. But the ANC quickly lost any unified strategic control, in fact it had probably already lost much of the control over the process of comprador and parasitic accumulation, and the resulting syndromes were beginning to spin back into the ANC in the form of deepening factionalism that often had little to do with policy differences, and everything to do with rivals competing for position, power, patronage and wealth.

6. Cadre deployment

- 6.1. How ANC leadership was to be exercised over this private accumulation was not spelt out in the 1998 discussion document. But ‘cadre deployment’ by the ANC, in the selection of potential BEE beneficiaries, and in appointments to key state positions that would decide on procurement, on regulations and the like was certainly seen as a key potential ‘leadership’ tool.
- 6.2. Former President Kgalema Motlanthe in an earlier 1997 interview with Pdraig O’Malley explained that the ANC had studied and sought to emulate Afrikaner nationalist practices, particularly those of the Broederbond, of the early 1950s: “They were sending brilliant young ones through Technikons overseas in Holland, Germany. They came back and they are deployed to run this institution or that institution. [Despite] much of the excesses

of apartheid, one can't help but admire their determination because they were exactly more or less in the same situation we find ourselves in today... They were meticulous, they understood they were now in power and that these levers of power must be utilised to advance their cause.”³⁶

- 6.3. Faced with a complex state bureaucracy inherited from the apartheid past, it is easy to understand why targeted ‘cadre deployment’ into strategic state positions seemed to be both desperately needed and perfectly justifiable, especially in this early period so soon after the 1994 democratic elections. Even in well-established democracies with a relatively stable administration, there can be challenges to secure alignment following a general election between a new (or refreshed) electoral mandate and the likely inertia within the bureaucracy. The challenges facing the ANC after the 1994 electoral rupture were of a considerably different order of magnitude.
- 6.4. But we need to go further. In a society suffering from a persisting, deep legacy of racialised structural inequality, an effective developmental state requires appropriate leadership and capacity at all levels. This requires attention to the strategic deployment of appropriately skilled professionals, regardless it should be emphasised of any narrow, party political personal affiliations, but who:
- * Are committed to the public interest and the values of the Constitution;
 - * Are attuned to the broad democratic mandate as expressed through an electoral process, and;
 - * In a multi-ethnic society with a deep history of racialised and gendered oppression, possess a significant degree of affinity with the social, community and demographic realities of our country.

In short, narrow technical competence is necessary but not sufficient.

- 6.5. In a multi-party, constitutional democracy, the relationship between a duly elected ruling party, its representatives in legislatures and in the executive, and the administration is not as simple as it is sometimes argued. Clearly, if a democratic mandate is to be respected, these locations cannot be seen as disconnected islands. However, clarity on the relative independence and respective strengths and limitations (constitutional, legal or otherwise) of each is absolutely important. As much evidence before this Commission has underlined, the collapse of one into the other, or an overreaching interference in one or another direction, can be highly problematic. A key feature of much of state capture has precisely involved this kind of deliberate conflation and overreaching.
- 6.6. In the concluding section we make some brief proposals for discussion on how to address the challenge of effective appointments in the state. Much of the real problem, however, with so-called ‘cadre deployment’ is that, under the dual impact of a problematic restructuring of the public service and the factionalising consequences on the ANC of its promotion of elite redistribution through BEE, so-called ‘cadre deployment’ became an active tool of state capture.
- 6.7. From at least the ANC’s National General Council of 2000, the organisation was formally admitting that it was beset by chronic factionalism grounded less in ideological differences and more in money politics, a loss of moral values, and growing social distance from its mass base, and, accordingly divisions over ‘deployment’. In his keynote address to that NGC, ANC president Thabo Mbeki warned: “Our experience in the last six years tells us that there

is absolutely no reason why we should assume that we ourselves stand no danger of becoming victim to the widespread corruption we have seen in other countries in Africa and elsewhere in the world.”³⁷

- 6.8. In this 2000 NGC address, President Mbeki saw ANC ‘cadre development’ as the key intervention to enable the ANC to regroup and fulfil its ‘historic function’ as the ‘moral leader of society’ (ibid.) But ‘cadre development’ went hand in hand with the notion of ‘cadre deployment’ into key sites of state power and this was at the heart of deepening internal turmoil.
- 6.9. On 26 April 2001, for instance, police minister Steve Tshwete announced that ANC national executive committee members and leading early BEE beneficiaries, Cyril Ramaphosa, Tokyo Sexwale and Matthews Phosa, were plotting against President Mbeki. This extremely serious allegation was subsequently withdrawn, but it was widely speculated that the trio’s access to wealth independent of what was then the dominant grouping in the ANC and government was the source of factional unease.
- 6.10. Similar high-level divisions in the ANC opened up with the commencement of arms deal-related prosecutions. Those charged, said to be part of the ‘secondary contracts’, were certainly not among the major financial beneficiaries of the controversial deal. Whether or not ANC-related beneficiaries of the ‘primary contracts’ were involved in corruption we do not know. It is not our intention to speculate on that here. However, this was another major source of suspicion, factional division, and acrimony within the ANC’s leading structures.
- 6.11. Another source of instability within the ANC was the rivalry between competing external business interests that backed different ANC individuals or formations like the ANC Youth

League. Corporate rivalries to secure government tenders then created factional rivalries within ANC and government structures.

- 6.12. Above all, not every individual aspirant or network of aspirants whether at the ANC branch, regional, provincial or national levels, could be accommodated in share-deals, or state procurement processes. Not everyone could become ‘filthy rich’. Resentment at being left out of a perceived inner circle of repeat BEE-deal beneficiaries grew.³⁰ Provincial fiefdoms controlled by ANC strong-men (later referred to loosely as the ‘premier league’), in which the early beginnings of state capture in the fuller sense of that term had already taken hold, were anxious to extend their sway onto the national stage. These resentments and aspirations were part of what lay behind the turmoil of the ANC’s 2007 Polokwane national conference, and were ably mobilised by Jacob Zuma in his successful bid to be elected ANC president.
- 6.13. The BEE process that had been partially justified within ANC ranks for its fundraising potential increasingly ended up funding factions with reports suggesting that enormous sums of money were being raised and spent on internal political contestation.
- 6.14. In his 21 July 2000 keynote presidential address to the ANC’s NGC, President Mbeki said:
- “There are at least three elements that create the possibility of the triumph of corrupt practice in our societies (...)
- * the scramble for access to resources;
 - * the absence of a truly popular political movement loyal to the interests of the working people; and
 - * the demobilisation of the masses so that they become passive objects of policy rather than activists for their own social emancipation.”³⁹
- 6.15. In this submission we have endeavoured to sketch out how

there were policy choices resulting in practices and institutional developments that actively and systemically contributed precisely to fostering these three negative elements clearly outlined by former President Mbeki. In the absence of understanding these underlying systemic features, moral appeals for changed behaviour, while needing support, are likely to run against the tide.

- 6.16. It was the active promotion of a distorted, elite version of black economic empowerment and the reformulation of acceptable ANC moral standards (from solidarity to get ‘filthy rich’) that legitimised “the scramble for access to resources”. The resulting development of a politically connected economic elite with growing social distance between it and its mass base, and the way in which the centrality of cadre deployment was increasingly factionalised meant that the ANC increasingly strayed from being “loyal to the interests of working people”. The combination of these factors together with the implementation of an inappropriate and partial version New Public Management paradigm, again, systemically contributed to popular ‘demobilisation’ with citizens becoming ‘customers’, the ‘passive objects of policy’, or, worse still, clients of political patronage, “rather than activists for their own social emancipation.”

7. The corrosive impact of our socio-economic crises on the political space

- 7.1. In the introduction to this submission, we asserted that, while the crisis of poverty, inequality and unemployment is not the specific focus of either this submission or the Commission itself, it is important that we do not lose sight of it as we confront the question of state capture. In particular, the potentially corrosive impact of inter-generational, long-term structural unemployment

on the political space must not be underestimated. This corrosive impact has been heightened by the sense that much of what has been happening since 1994 has been intra-elite redistribution while a majority is left behind.

- 7.2. One useful and we believe representative sample of this corrosive impact is provided by a 2016 internal ANC Gauteng discussion document. A survey of ANC members in Gauteng found that 42 per cent of ordinary members and 31 per cent of office-bearers were unemployed. As many as 45 per cent of ordinary members and 36 per cent of leaders who were surveyed said that they experienced periods when they went hungry. Slightly over half the members earned between R299 and R2,999 per month, and only 24 per cent had a post-matric education.⁴⁰
- 7.3. Referencing this study, Neil Coleman observes: “But if ANC members lacked access to the fruits of BEE and traditional business, what they shared (in some cases literally) with the leadership was access to the levers of local provincial and national government, as well as certain state institutions. While this wasn’t necessarily always an openly corrupt relationship, the networks of patronage underlay the hollowing out of democracy in the movement, and mobilisation of members to support certain slates, in return for access to a share of the goodies.”⁴¹
- 7.4. The 2016 ANC Gauteng document itself observes: “A position in a local council has been described as the difference between poverty and putting something on the table for one’s family – an indication of how high the stakes are here, leading often to violence and even assassination.”⁴² This is the context in which legitimising problematic and even corrupt behaviour might take hold within the ruling party, especially when leadership figures in government and the party appear to be actively involved in

predatory behaviour.

- 7.5. The impact of the social crises on the ANC is also well captured, if anecdotally, for instance, by Jonny Steinberg's account of his several years of research in Bethlehem, eastern Free State: "I was staggered to witness the extent to which it had become a single-source economy. In the township of Bohlokong the majority of those I met who had a formal job or stable business either worked for government or were contracted to deliver a public service. I was even more staggered to discover how many of these jobs were available only to those with personal connections to leading ANC figures. The patronage networks went right down to the bottom of the municipal wage scale; I met cleaners who got their jobs through membership of their local ANC branch. The result is that branch meetings are like vipers' nests. Factionalism is vicious and interminable because everyone needs their patron to get ahead."⁴³
- 7.6. The township of Bohlokong may be something of an extreme (although far from exceptional) outlier. However, for millions of South Africans caught in rural and dormitory township poverty traps, in the absence of effective socio-economic transformation, some kind of connection to the state and the ruling party might well be the only prospect to escape radical unemployment and abject poverty, however temporarily and marginally. In these conditions, building a support base through dispensing patronage might be regarded by politicians as the only means of staying up on an all too slippery pole. Incumbents continuously face challenges from rival patronage networks who claim it is now their 'turn to eat'. This results in considerable churn from one electoral cycle to the next, and there are often suggestions that at least some 'township service delivery protests', however

grounded in real crises they might be, are actively organised by rival factions less bent on finding social solutions than on advancing their own agenda. It is these very networks down to the most local level that the full-blown state capture project arose from and tapped into.

8. The need for an ethical, democratic and capable developmental state

- 8.1. All of this creates a major challenge. We need an ethical, democratic and capable developmental state to provide leadership and coordination in overcoming the triple crises of poverty, inequality and unemployment. And yet in a vicious cycle, socio-economic desperation, exacerbated by inappropriate policies and practices, has been the seedbed for state capture that then corrodes the very capacity of the state to play an effective developmental role. To break out of this vicious cycle, we need to deal decisively through the criminal justice system with the state capture networks while changing the intermediary policies and practices that have played a role in state capture and, at the same time, defending and consolidating the capacity of the state to play an effective developmental role.
- 8.2. In short, urgent remedial responses to state capture, and medium to longer-term preventive measures that will buttress against its recurrence must not undercut the need for an active, democratic, developmental state capable of driving structural transformation. One of the major negative impacts of state capture is that in the public discourse it has helped to undermine confidence in the very possibility (or even desirability) of such a developmental state.
- 8.3. The ravages of state capture have depleted key state-owned enterprises (SOEs), thus playing into the hands of those who

criticise the need for and legitimacy of a developmental public sector. State capture networks have demagogically appropriated the language of a ‘radical’ structural transformation. In the name of ‘cadre deployment’ factional and corrupt appointments have been made.

- 8.4. All of these extremely negative realities might easily lead to a view that what we need is ‘efficiency’, ‘good governance’, understood as a ‘minimal’ state, where things are best left to ‘the market’ as arbiter of the public interest, that we need stringent austerity measures to slim down a ‘bloated’ public sector, that the civil service should be technocratic, and modelled on private sector ‘best practice’.
- 8.5. As the School of Oriental and African Studies, London-based academic Mushtaq Khan has frequently and ably argued, while ‘good governance’ is certainly required, the notion of ‘good governance’ is typically “based on an ahistorical reading of the factors” required for sustained development in African and other third world contexts facing crises of under-development. “Good governance has come to mean support for improving the enforcement of property rights, the rule of law, fighting corruption and improving accountability”, all of which, Khan concedes, are positive objectives considered abstractly. But developmental transformation requires “a very important role for politics and the state, not in enforcing some pre-existing structures of rights, but rather in changing property rights structures and creating opportunities for the creation of new productive enterprises while managing political stability in contexts where the potential for conflict is high (...) This requires strong governance, but these are not the governance capabilities that the good governance agenda focuses on.” (author’s emphases).⁴⁴

8.6. A swing-back in the direction of a minimalist state as if this were the key response to dealing with state capture, with drastic cuts of funding to the public sector will exacerbate and defeat any attempt to address the underlying socio-economic crises in our country. If left unaddressed, these will continue to spawn desperation to survive at any cost, and provide an open playing field for populist demagogy, anti-constitutionalism, and all the pathologies of state capture.

9. Remedial actions

- 9.1. Effective measures to address state capture require clarifying the web of underlying factors and tackling root causes rather than just the symptoms. The objective of this submission has therefore been to sketch out policy choices and institutional practices that, in their interaction and in the general context of deep socio-economic distress, have contributed systemically to state capture in South Africa. The emphasis has been on diagnosis rather than an extensive elaboration of remedial steps.
- 9.2. We hope that this submission and more importantly recommendations that emanate from the Commission will help to promote a wider, public and informed diagnostic process that follows the policy cycle of identifying the problem of state capture, its sufficient and necessary underlying causes, and remedial options.
- 9.3. However, given the diagnosis offered in this submission, certain remedial steps suggest themselves. Some of these are briefly outlined as proposals for further discussion and consideration.
- 9.4. **The public service** – We fully support the standard three-pronged approach to dealing with corruption in the public sector: ethical training and integrity promotion; preventative checks and

balances that make it more difficult for people to be corrupt and that expose corrupt or fraudulent activities in the early stages; and investigation and sanction of all cases of corruption, theft and fraud so that there is “consequence management”. There also needs to be much more effective protection of whistle-blowers.

- 9.5. On their own, however, these interventions, all of which require adequate resourcing, will not be sufficient as long as they are encased within a problematic model of the civil service.
- 9.6. **Improving accountability** - A pertinent question that needs to be asked is why, with all of the managerial control systems, like the PFMA and MFMA, in place, it took so long to recognise the severity of the state capture problem. This failure was certainly due in part to state capture undermining accountability structures. But it is our contention that this failure has also been due in large measure to a wrong model of civil service reform being pursued.
- 9.7. The Presidency and departments with transversal responsibilities (Public Service and Administration, Treasury, COGTA, etc.) must be staffed with people with deep training in public service organisation and management. These departments need to be evaluated on a regular basis for their own individual and collective contribution to building an effective public service (this is not the current practice).
- 9.8. The mechanisms for ensuring accountability should move beyond a reliance on financial rewards and the PFMA. Accountability mechanisms need to be regularly assessed for their effectiveness. Specifically, we believe that a comprehensive review of the PFMA must be undertaken.
- 9.9. In strengthening monitoring and evaluation in a participatory manner, a non-punitive approach needs to assist in making visible

problems, mistakes and shortfalls so that collective learning and improvements can be achieved. ‘Consequence management’ should be understood not just as a punitive measure, but also as a corrective, training and re-training intervention.

- 9.10. Professional capacity needs to be rebuilt within the state. Diverse and relevant professional competencies and norms need to be promoted and valued rather than the current skewed emphasis on a generic managerial focus borrowed from the corporate world. This includes greater reliance on motivation through fostering professional peer group esteem and not just a narrow reliance on financial incentives.
- 9.11. **Building a more participatory approach** - A more participatory approach to public service work must be fostered, versus a top-down delivery approach in which citizens are reduced to clients. In this context it will be important to evaluate the experience with and improve upon a range of participatory institutions, like School Governing Bodies (SGBs), Community Policing Forums (CPFs), etc.
- 9.12. Community-based citizen monitoring and evaluation programmes should be developed to assist the improvement of front-line services (police stations, social security pay-out points, etc), giving voice to community experience but also listening to the experience of front-line workers.
- 9.13. We need to learn from and expand Community Work Programmes and other similar public employment programmes that have the potential to develop a local community sense of ownership over and joint responsibility for community care work, community safety, and local infrastructure and facilities.
- 9.14. **On public sector appointments** – No performance management system can fix a bad appointment.

- 9.15. As in most democratic dispensations, we support the principle that the top echelons in the public administration should be political appointments ('cadre deployment' in its non-vulgarised meaning). Other senior civil service appointments need to be strictly based on clear, transparent and uniform rules established by the Public Service Commission. The role of the Public Service Commission needs to be enhanced, and it needs to play an ongoing role in monitoring and evaluating appointment procedures.
- 9.16. To further enhance an all-of-government role for the PSC its (often excellent) work and reporting need to be elevated. In reporting to Parliament, for instance, consideration should be given to a Joint Portfolio Committee that involves MPs overseeing other departments (COGTA, Treasury) with transversal public administrative responsibilities, and not just the DPSA.
- 9.17. **Black Economic Empowerment and preferential public procurement** - We welcome attempts to broaden the range of beneficiaries with a greater focus on SMMEs and cooperatives, on worker empowerment deals, proposals to include worker representatives on boards of companies, and the shift from a share-holder to a stake-holder emphasis. We also welcome the shift of emphasis to assisting black 'industrialists' – that is, those with a proven capacity for productive investment, rather than financialised wheeling and dealing in existing assets.
- 9.18. However, the broad thrust of (BB)BEE still remains skewed to intra-elite advancement and we call for a thorough evaluation of the actual impact on addressing racialised and gendered inequality of current (BB)BEE and related procurement programmes and practices.
- 9.19. **On cadre development and deployment** - We support the importance of a coherent and planned cadre development

approach within the ANC and, indeed, across the Alliance. We also support the importance of non-factionalised cadre deployment within the party political space (in electoral lists, appointments to party political positions within legislatures, etc).

10. **Conclusion** - In this submission we have deliberately avoided making specific allegations of wrongdoing against individuals or entities. We hope that in focusing on more general policy and systemic features, we might contribute to a wider, collective reflection and to remedial actions that go beyond the necessary criminal justice and civil action interventions that must be pursued in the light of the avalanche of evidence brought before the Commission. We hope that a wider, collective reflection on underlying systemic issues will help to prevent renewed waves of state capture in the future. ●

END NOTES

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- 2 The many possible references include, notably Crispian Olver, *How to Steal a City: The Battle for Nelson Mandela Bay*, Jonathan Ball, 2017; and the Public Protector’s *On the Point of Tenders*, Report No:10 of 2012/3 dealing with tender corruption in the Limpopo Dept of Roads and Transport
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clarify. It is all fake political, just painting a particular family and few individuals.” (Zuma, ANN7 interview, 13 November 2017). See also: “Where is state capture? (...) The judiciary is not captured. Is it captured? Is parliament captured? Is the executive captured? So where is state capture?” (Zuma, eNCA live broadcast from Walter Sisulu University, 12 September 2018); and “There is no state capture in South Africa, there are people who did things to others, but there is no such thing called state capture. Let us not swallow everything that is given to us (...) state capture is a political decorated phrase which had its intentions.” (*The Citizen*, 13 September 2018).

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- 6 “White monopoly capitalists are fighting to prevent the ‘capture’ of their state control of the ruling party leadership. Only in this way does the term ‘state capture’ make sense – white monopoly capital is preventing the ‘capture’ of its state!”, Chris Malikane, “Concerning the current situation”, khanyajournal.org.za/wp-content/uploads/2017/05
- 7 World Bank, *Anticorruption in Transition. A contribution to the policy debate*, 2000, Washington DC
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- ¹⁰ See, inter alia, Hennie van Vuuren, *Apartheid, Guns and Money. A tale of profit*, Jacana, 2017
- ¹¹ Chipkin & Lipietz, p6
- ¹² Inter alia, OECD (2004), *Public Sector Modernisation: Changing Organisational Structures*, OECD Policy Brief, September 2004; OECD (2005), *Public Sector Modernisation: Modernising Accountability and Control*, OECD Policy Briefs, April 2005; Mintzberg, H (1996), *Managing Government*, *Governing Management*, Harvard Business Review, May-June 1996.
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SACP BUILDING

Objective conditions and Party strategy and organisation

Jeremy Cronin examines the altered conditions for mass revolutionary activity and asks how the SACP can best contribute to rebuilding it

“Correct revolutionary theory assumes final shape only in close connection with the practical activity of a truly mass and truly revolutionary movement” – Lenin

Historically, communist parties including the Communist Party in South Africa CP(SA) have paid considerable attention to:

1. **the kind of communist party** that is required in order to advance;
2. its overall **strategic agenda** with relevant strategic tasks and tactics that are appropriate; and
3. the prevailing **material/objective conditions** (national, regional, global).

At the most general level communist parties have, of course, always endeavoured to be ‘Marxist-Leninist vanguard forces of the working class’ for the eventual realisation of communism. But even Lenin’s Bolshevik party deliberately changed its specific character according to changing strategic imperatives and different objective realities in order, precisely, to play that vanguard role.

The principal strategic tasks (they might, for instance, involve armed

struggle, or perhaps some form of open electoral participation), the appropriate organisational and tactical adaptations to advance these (clandestine work, broad open popular mobilisation, tight vanguard or mass vanguard) in **different objective situations will of course need to change. Without the correct identification of the principal strategic tasks, and the relevant organisational approaches within a specific objective situation, errors and even serious defeats are likely to occur.**

It is important to have a **dialectical** understanding of the relationship between these three axes – for instance, a communist party will be impacted upon by the material conditions within which it is operating, but if it is effective it can also play a role in changing those material/objective conditions.

The question arises as to whether, over the past decade or so, the SACP has sufficiently analysed the interrelationship between these three axes and sufficiently aligned strategic objectives and tasks, shifting material conditions and the kind of party we are/should be building. It is not being suggested that these are easy tasks, but we should also be critically and self-critically alert.

At a fairly mundane, symptomatic level, weaknesses might be reflected in the fact that at Central Committee meetings and even congresses we have two separate secretariat/CC reports – a ‘political report’ and an ‘organisational report’ in which the alignment between them is not always apparent. We even have a separate ‘financial report’ in which the connections between strategy, party political organisation and resourcing are often not realistically interconnected. This can result in political voluntarism (aspirations to achieve some political objective, regardless of the objective challenges and without the related organisational, human and funding capacity and resources).

What is the SACP's current strategic agenda?

As our congresses dating back at least to the early 1960s right through to the most recent 2022 congress have all affirmed and re-affirmed, our overall strategic agenda is to seek to be a vanguard party of the working class in the context of a national democratic struggle “as the most direct path to socialism” in the South African reality.

Our principal **strategic task** is therefore to build a powerful national democratic movement (NDM) in which increasingly the class interests of the broad working class become hegemonic with a view to achieving socialist advances in the midst of advancing, deepening and defending an ongoing national democratic revolution (NDR).

Over the last five decades, the manner in which the SACP has sought to achieve this strategic agenda (and even the more expansive manner in which we have understood the NDR: for instance, we have in the past few years asserted that there is no mechanical/automatic equivalence between the ANC and the NDR, “the ANC doesn’t own the NDR”), the kind of Party we have organised, and the objective conditions in which we have worked have changed considerably.

Considering all of this, it might be useful for comparative purposes to reflect back over the changing character of the SACP since the 1970s in the context not of a changed overall strategic perspective but of what are or should be changing strategic tasks and tactical priorities in changing material conditions.

In order to reflect on our present situation, this discussion note will consider three (quite different) periods in which the SACP achieved considerable success in effectively aligning its organisational character and its strategic tasks and priorities with the prevailing material conditions.

The Party in the 1970s

In the 1970s, the SACP identified as the **key strategic task for advancing the NDR in SA** the re-building (initially largely in exile) of the ANC and MK, following the near fatal strategic defeat that our movement had suffered in the mid-1960s.

In this difficult period, indeed, the SACP achieved a high-point in its vanguard capacity and influence **within the ANC and MK in exile but not, at this stage, within the country (where our presence and visibility had virtually disappeared) and therefore not within the working class and broad popular masses.** (Although the SACP and ANC were not entirely absent in the 1973 Durban Strikes, or the 1976 youth uprising – other ideological currents – workerist and “new left” in the former case, Black Consciousness in the latter were dominant).

The objective conditions that made possible this vanguard influence within the largely exiled ANC at that time included:

- Subjectively - the fact that the Party’s leading cadres had operated in the underground through the 1950s and were better prepared than the broader ANC leadership for the post-1960 realities of illegality and exile.
- Also at the subjective level, there was the reality that key Party members like Cde Joe Slovo had pre-existing military experience from their service in the Second World War, and (for obvious social reasons) there was also often a greater fundraising capacity and international contacts among non-African members in the broad Congress movement, most of whom were also Party members.
- The prestige of the Soviet Union (and the fact that the Soviet bloc was the only supportive state group of the ANC at the time) had a profound impact on the sympathy for the international communist movement among the broader ANC (as with other progressive National Liberation Movements (NLM) at the time like the Angolan

MPLA, Guinea Bissau PAIGC, Mozambican Frelimo, etc). Anti-communist sentiments did exist within the ANC in exile. But these were marginalised, notably with the expulsion of the Gang of 8, senior ANC members at the time. This expulsion reflected the strength of the SACP within the ANC at the time (to state the obvious: clearly the situation currently both globally and in regard to the SACP's influence upon and within the ANC has shifted negatively).

Organisationally, the Party operated in tight units (even in exile), with Party identities not known to the broader ANC leadership or even to other Party unit members. Recruitment was tight and targeted and a period of probation had to be served.

The Party focused on ideological work within MK and more broadly within the wider ANC, while respecting the organisational integrity of the ANC (i.e. without being 'entryist'). In the 1970s, the SACP's membership was never more than a few hundred. Most were in exile, although there was a Party presence on Robben Island and in a very small and vulnerable underground inside the country.

Strategically the Party's key focus was on rebuilding the ANC and MK and helping to ensure that it was the ANC that was able to assert itself as the principal and unifying South African NLM (many global forces both in the West and in Africa sought to project, for instance, equivalence between the PAC and ANC, or – in the case of some Western powers - build Buthelezi's Inkatha Freedom Party as the alternative).

In this context, the Party's **small size** and its **virtual public invisibility** were not an impediment to the principal strategic task. What counted was the general quality and ability of communists to win the trust of rank-and-file ANC members and to be in the front line of dedication, bravery and clarity of perspective.

The relative success of the Party in this period (largely in exile and

largely within the ANC) laid the basis for future Party advances. But it has also sometimes contributed to certain Party cultures and illusions into the present when conditions have changed dramatically, and when we are dealing with a very different ANC.

The Party in the 1980s

A bit schematically (the ebb and flow of the struggle doesn't neatly correspond to decades), the 1980s presented the SACP with widening possibilities and duties. The emergence of a broad mass democratic movement – assuming an organisational form under the umbrella of the United Democratic Front and an increasingly well-organised and militant trade union movement – meant that the **'home front' and popular and working-class mobilisation could now become the major strategic focus of Party work and organisation.**

The Party's significant vanguard role within the ANC in exile (and in MK) persisted through this decade.

But a new challenge presented itself to the party. The emerging progressive trade union movement, which began effectively with the Durban strikes of 1973, had now grown significantly. Much of the leadership within the Federation of South African Trade Unions and its affiliates projected themselves as socialists, but many were suspicious of the ANC and of the Party, or even anti-communist.

The Party's low public profile (in fact virtual invisibility) through the 1970s had served the strategic priorities of the time very well. But now, with a large and militant trade union movement advocating socialism but often dismissive of the Freedom Charter and of a NDR strategy, it became imperative for the Party to greatly increase its **independent** visibility, voice and presence within the popular and working-class movement. Internal underground Party recruitment grew significantly, particularly targeting the trade unions and the emerging Mass Demo-

cratic Movement (MDM). Umsebenzi was launched in 1985 and the Party under its newly elected General Secretary (Cde Slovo) deliberately broke with the earlier low-profile Party role of the 70s. Umsebenzi in this period and into the early 1990s in style and content sought to speak directly into a mass democratic movement – it was agitational and mobilising, it carried popular series on how to outwit the security police, on building organs of popular power or self-defence units. It also addressed strategic issues in an accessible way using graphics and cartoons. It also advised on how to set up reading groups and, in this way, it achieved a much wider readership than its actual publication numbers.

The Party 1990-1994

From an SACP perspective, three critical developments occurred between the formal unbanning of the Party (1990) and the democratic breakthrough (1994):

1. The unravelling of the Soviet bloc of countries (from 1989) and the collapse of the Soviet Union (1991);
2. The resignation in 1990 of around half of the CC elected just a year earlier in the Cuba 1989 SACP congress (resignations included two future presidents, Cdes Mbeki and Zuma);
3. Yet despite these two related realities – there was a massive growth of the Party’s popularity (about 40,000 attended our coming out rally in Soweto in 1990) with a 500% increase of Party membership reported at our 1991 Congress.

The growth in membership of the Party was resisted by some within the Party leadership (those under an Mbeki influence, some of whom had stayed on within the party perhaps as ‘Trojan horses’?). They sought to keep a tight control over the Party and objected to the new concept of a mass vanguard party. This objective was defeated, which

allowed for a major recruitment of thousands of seasoned comrades from the trade unions and MDM formations who had identified with the Party through the 1980s without being recruited formally into underground structures.

The expansion of the Party and the nature of the new cadreship corresponded with the principal strategic task of the Party at this point – to ensure the negotiations process did not become an elite pacted event behind the backs of the popular movement. The strategic task was to ensure that, as much as possible, the negotiations were people-driven, that local community and sectoral demands featured centrally and not just the national negotiations demands. This also included correctly identifying the escalating, so-called ‘third force’, ‘black-on-black’ violence as a deliberate ‘first force’ strategic agenda of the apartheid regime, and taking a lead as the Party in helping communities establish self-defence units in response.

The second strategic task in this period, as the prospect of a democratic breakthrough approached, was to ensure that the programmatic electoral platform of the ANC was progressive and also embodied a people-driven approach to development. The SACP, working with MDM comrades many now in the Party, played a leading role in drafting the Reconstruction and Development Plan (RDP), which was enriched by the sectoral perspectives of a wide range of mass democratic struggles of the 1980s (civic struggles, land issues, women’s rights, education and healthcare struggle, etc)

Despite, then, the global setback of the collapse of the Soviet bloc, by 1994 the SACP had succeeded in playing an effective vanguard role with its organisational form and cadre capacity proving to be well aligned with the principal strategic tasks of the conjuncture.

Looking back on this period and the earlier periods (and without romanticising them) compared to the present reality, a number of is-

sues stand out:

The Party's influence upon the ANC and (in the 1980s and early 1990s) in the wider public was much greater then. The Party was able to advance clear perspectives that had a major impact upon the ANC and broader popular forces to a much greater degree than now.

This is not a question of blaming the current (or recent) Party and its leadership – but it is important to ask what objective and subjective factors account for this.

Has the composition and character of the current SACP's mass membership changed?

- Do we have a mass membership base that is rooted in mass democratic/popular and working class struggles as was the case increasingly in the 1980s and especially the 1990s?
- And, if not, is this related to our recruitment policies and weaker cadre development work?
 - * Or to the weakening of the trade unions and the demobilisation of popular democratic formations, civics, etc?
 - * Or to the deterioration of the ANC - including narrow personalised politics, narrow electoral-list politics and the ANC's increasingly fragmented character with the dominant factions in the RECs and BECs ignoring PECs, let alone the NEC? In many ways, power has shifted downwards but in a perverse manner, not leading to the popular democracy and rank and file participation we had hoped for. In some respects 'command' has shifted to regions and branches with the authority and strategic capacity of the ANC's NEC considerably eroded, making matters in some sense worse, with the 'kingmakers' being less sophisticated.
 - * If the ANC has become increasingly federalised, or even sub-federalised, what about the Party? Compared to the earlier periods considered, the Party now manages its Congresses through

provincial leaderships, and it depends (considerably) on regular organisational reporting on provincial self-reporting. There is also not always transparent reporting on Party provincial funding. These arrangements are not necessarily all wrong, but we need to understand their possible implications for strategic perspectives.

* There are not just subjective but objective geographical factors that are likely to impact on the prospects for Party comrades to work with and within the ANC. For example, the ANC in a province like Limpopo still retains substantial electoral support and therefore there are relatively wide deployment possibilities, compared to say the Western Cape. How do we develop unifying strategies across different provincial and other geographical realities like the common task of building a left popular front, rather than ending up with divisions and mutual recriminations?

* Likewise, have we sufficiently analysed the impact on Party debates and differences on a changing 'sociology' of the Party – with a relatively thin leadership layer in employment (in government, legislatures and as trade union officials) and a youthful and mostly unemployed mass youth membership? Again, different subjective and objective locations are liable to lead to different perspectives. Again, how do we prevent these from becoming deepening and mutually recriminating schisms? How do we develop unifying tasks and strategic priorities across such different realities?

In short, all of these factors in differing degrees are impacting upon and within the Party. Have we sufficiently analysed them to understand what their implications are for building an effective Party capable of addressing the key strategic tasks of the present?

And what are those key strategic tasks? Is it to re-build a radical NDM/popular front? Or is it to reconfigure the Alliance? Or is to con-

test elections in some mode or another as the SACP?

These are not necessarily alternatives – but prioritising the one will have implications for the others. Contributing to building a powerful NDM/popular front could contribute to reconfiguring the Alliance, it could also greatly enhance the electoral prospects of the SACP individually and/or some broad left electoral front.

Conversely, embarking solo on an SACP election campaign without having built an organic connection to a broad NDM/popular front could serve to further isolate the Party, would reconfigure the ANC-led Alliance in ways that further isolate the Party within the ANC and from the rump of Cosatu, and result in party splits. This is not to argue against embarking on this route – but at least let's do it with eyes wide open.

Returning to the quote from Lenin at the beginning of this note: “Correct revolutionary theory assumes final shape only in **close connection** with the **practical activity of a truly mass and truly revolutionary movement**”. Can we say that there is now a truly mass and truly revolutionary movement in our country? If not, how does the Party engage in practical activity to (re)build such a movement? And how to we build a Party that is capable of having (as it once had) a close connection with such a movement? ●

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END NOTE

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SACP BUILDING

The rupture has widened

We must recommit ourselves to the renewal of all our formations, writes **Xolile Nqatha**

The state of the South Africa's national democratic revolution (NDR) requires deep reflection at this moment, as the revolution is not only stagnant but on the edge of a cliff, and with serious signs of regression. Levels of poverty, unemployment and inequality are deepening, and the working class is facing ever more what the SACP has characterised as a crisis of social reproduction, where most of the population is unable to meet their basic necessities.

This crisis has been deepened by Covid-19, which destroyed many jobs and survival networks of households and families. We are unfortunately facing another form of state capture, this time a capture of the policy direction of the country dominated not by the elected organs of the people, but by the hegemonic role of the Central Bank and National Treasury, who are the prisoners of the neoliberal policy of austerity, cutting down on social expenditure and using inflation targeting as a blunt instrument. We are now at the end of three decades of freedom and yet the economic crises has worsened – unable to grow and create jobs. However, the disciples of this policy still believe it can produce different results. Why the rupture? And why it has widened?

The collapse of the socialist bloc in the late 1980s

In the execution of the NDR, over time a broad range of forces for liberation struggle had grown up headed by the ANC. These forces came

about as a product of this struggle, characterised by years of unity in the trenches against the system of colonialism and apartheid.

The victory of the Russian revolution leading to the establishment of soviets as a form of people's power in the Soviet Union led to what was believed to be a world in transition to an alternative society. In this period the SACP developed its perspectives on the direction of the South African revolution, which were shared by the ANC and the South African Congress of Trade Unions (Sactu). Sactu was the predecessor of the Congress of South African Trade Unions (Cosatu). This was captured quite succinctly in a report to the ANC National Executive Committee (NEC) in 1979:

“A joint meeting of the full NEC [National Executive Committee] and RC [Revolutionary Council] was held in Luanda between 27th December 1978, and 1st January 1979, to hear a report from the NEC delegation which visited the Socialist Republic of Vietnam in October 1978. After discussing the report of the delegation, the meeting proceeded to consider its relevance for our own struggle and concluded that ‘the Vietnam experience reveals certain shortcomings on our part and draws attention to areas of crucial importance which we have tended to neglect.’”

The report goes on to say:

“We debated the more long-term aims of our national democratic revolution, and the extent to which the ANC, as a national movement, should tie itself to the ideology of Marxism-Leninism and publicly commit itself to the socialist option. The issue was posed as follows: In the light of the need to attract the broadest range of social forces amongst the oppressed to the national democratic liberation, a direct or indirect commitment at this stage to a continuing revolution which would lead to a socialist order may unduly narrow this line-up of social forces. It was also argued that the ANC is not a party, and its direct or open com-

mitment to socialist ideology may undermine its basic character as a broad national movement.

“It should be emphasised that no member of the Commission had any doubts about the ultimate need to continue our revolution towards a socialist order; the issue was posed only in relation to the tactical considerations of the present stage of our struggle.” (my emphasis)

The SACP, since the collapse of the socialist bloc, has always argued that a rupture occurred in the top leadership of both the ANC and SACP: some of the former no longer believed in the continuing struggle for socialism and the relevance of the SACP. As a result, some resigned from the SACP and others who were members of the SACP Central Committee and Politburo allowed their membership to lapse.

It was in this period that the neoliberal ideologues were triumphant, arguing “there is no alternative” (TINA). This was based among other things on the key tenet that the state has to be lean and mean and its role must be to lower the cost of doing business, as business and the market would resolve the challenges facing society. It’s here at home that we also implemented liberalisation and the relaxation of exchange controls, leading to many South African companies leaving the country.

It is this rupture of a shared perspective that saw the tensions in the liberation Alliance as the programme of privatisation was being pursued in government and the 1996 Growth, Employment and Redistribution (Gear) policy imposed on the whole movement. It is this policy direction that has been implemented since then with no different results. This has led to the decline of electoral support for the movement over the years, including losing metros and other key municipalities at local level. Despite these losses, the policy direction on the economic front remains firmly in place, with half-hearted commitments to change direction with the first step being to convene an Alliance

economic summit – which never happens.

This has led to many community ‘service delivery’ protests and unhappiness within the ranks of the whole movement, and others deciding to stay away from voting polls. This unhappiness over time has found its expression within the ranks of the SACP, with members and activists feeling that the leadership of the party serving in all spheres of government is just a self-serving elite as the current direction of the ANC is at odds with the interests of the working class. Those who have expressed the need to be sensitive and responsive to these views have not escaped accusations of being opportunists and populists.

Widening rift

At its 15th National Congress, the SACP discussed the state of the revolution and the Alliance and resolved on the reconfiguration of the Alliance and to contest state power within a reconfigured Alliance as a preferred option. If this reconfiguration does not happen, the SACP would contest state power through a left popular front. The Party further resolved that all local government by-elections would be contested, and subnational structures would have to submit each case for the Central Committee’s (CC) consideration.

This resolution has led to difficulties in the SACP itself as many are ANC members in their own right and others fear losing their positions in government. This is an area that does not need to be personalised as it would close debate. This is the reality that the Party faces as an organisation and its ability to follow the direction of the 15th Congress.

The worst thing that could happen to the Party is for this congress directive to now be contested, as signs seems to suggest. This is a critical moment that threatens the very unity of the SACP, and a possible split – though hopefully not – cannot be overruled. Perhaps a split is inevitable if you are to affirm and articulate a unified voice and action

in the interests of the working class and advancing the South African revolution. This has unwittingly sowed suspicions and mistrust in the ranks of the Party about who are genuine members of the Party willing to carry its line, irrespective of possible personal loss.

The Party resolution has equally impacted on Cosatu that is part of the left axis that fought with the Party many battles against the policy of neoliberalism and its impact on organised workers and the working class broadly.

A component of Costau is supportive of the SACP 15th Congress decision but another component is opposed to this. It appears that the those who support the SACP resolution are perceived in certain quarters as anti-ANC and possibly belonging to the EFF (and not even associated with SACP). Those who oppose the SACP's decision are perceived to be subtly gravitating to the right.

The Party resolution has equally resulted in divisions and mistrust within the ANC. Some were always looking for the opportunity for communists to leave the ANC and cannot wait to see the back of us, no matter what that means. This in a way manifests itself in Kadalism – believing that the ANC will be better off without communists or the alliance with the SACP, though they are willing to have an alliance with other forces in society.

What do we mean by Kadalism? Clements Kadalie of the Industrial and Commercial Workers' Union of the 1920s led the expulsion of leading communist members of the Industrial and Commercial Workers (ICU) resulting in its own liquidation. This started at a meeting of the National Council of the ICU in Port Elizabeth on 16 December 1926, where Kadalie launched a furious attack on the Communist Party for 'interfering' in the internal affairs of the ICU leading to the expulsion of J. A. La Guma, ICU General Secretary, E. J. Khaile, ICU Financial Secretary and J. Gomas, Cape Provincial Secretary. They were called upon

to chose: resign from the ICU or Communist Party. They refused to leave the SACP. Today, Kadalists within the ANC accuse the SACP of an agenda to 'liquidate' the ANC – and yet this is not true at all.

In a statement following the expulsion, the CPSA said, “Comrades! You are told that one cannot serve two masters. Your expelled officials have never served two masters, but only one — the downtrodden workers of Africa. They have carried out their duties as working-class fighters as no other ICU leaders have”. This is the same decision Party members are expected to make now: choose between the ANC and SACP.

Those who accuse the SACP of wanting to liquidate the ANC may, wittingly or unwittingly, actually be guilty of liquidating the ANC.

There is a layer of ANC members, albeit thin, who see the necessity to engage the SACP on our resolution and see the possibility of securing a principled ally relationship after any electoral contest rather than the current arrangements of coalitions that are not based on principle. We are all marking time. Some for communists to leave so that ‘we can have more to ourselves’ and others wanting to see where things are going given the preoccupation with the positions they occupy.

None of our formations is left better and ready for the revolutionary task of the moment, to lead the country on a different path that serves the majority in economic terms. The preoccupation is to prepare for the next conference or congress in order to have ‘our turn’ because organisational positions are synonymous with government positions. The greatest disservice we can do to ourselves individually and collectively is to deny that the rupture has widened and pretend that we are in control of the economic direction of our country and our revolution. It is firmly in the hands of capital, in particular the financial sector and other monopolies.

What is to be done?

The convening of the long agreed Alliance Summit on the economy has become urgent – more than ever before – given the challenges facing our revolution. There is no middle road. We must deal with structural challenges of the economy through a comprehensive overhaul of economic policy, or remain on the current path and be rejected by the people at the ballot box, with greater chances of an increase in lawlessness and general instability.

Key to the objectives of the summit is to agree on the transformation of national treasury and free it from the clutches of neoliberalism and the IMF. We must agree on the transformation of the Reserve Bank and engage in a policy review process that involves the public.

In 2019 the Federal Reserve Bank of the US launched its first-ever comprehensive and public review of the monetary policy framework – the strategy, tools, and communication practices – it employs to achieve its congressionally mandated goals of maximum employment and price stability.

The Alliance Summit should agree on short, medium and long-term programmatic tasks that are driven by Alliance components individually and collectively, and are linked to the emancipatory goals of the Freedom Charter.

We must sincerely commit ourselves to the renewal of all our formations, and guard against those who shout about renewal but in practice pursue an agenda that conflicts with this noble goal. We in the SACP must critically examine ourselves and our ability to play an effective role as a vanguard party. It is only from an honest self-reflection and corrective standpoint that we can rise to the occasion as we did in all critical moments of our revolutionary trials and tribulations. Let us endeavour to make those who come after us proud, as Comrade Lerumo proudly wrote of the founders of our Party:

“The truly remarkable thing about the founders of the Party is not that, being what they were, they made errors. It is that despite their limitations they founded a great and enduring Party which was able to withstand every trial and misfortune, to rise above all misconceptions, and with the aid of experience and Marxist-Leninist science to become a true vanguard of the workers in the fight for the liberation of South Africa”. (Fifty Fighting Years: The Communist Party of South Africa, 1921-1971, Inkuleleko, 1971)

We must recommit ourselves to this, so that despite our own limitations and errors, successive generations can still look back and be proud of us individually and collectively. ●

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LEFT POPULAR FRONT

Reflections on building a powerful socialist movement of the workers and the poor

A left popular front could galvanise the struggle to revitalise the NDR and for socialism, but we should heed the historical experience of other countries, writes **Mandla J. Radebe**

As South Africa and most parts of the world grapple with deepening socio-economic disparities fuelled among other things by the relentless pursuit of profit, a resolute call to action reverberates through the corridors of the struggle for social justice. Although the recent Augmented Central Committee of the SACP deliberated on the crucial question of the electoral path and the reconfiguration of the Alliance, a rallying cry that transcends the confines of electoral politics has grown louder, reaching into the hearts of the working class and the marginalised.

The imperative to build a left popular front (LPF), to foster a powerful socialist movement, has never been more urgent. This clarion call extends far beyond the narrow realm of contesting elections; it is a beacon that illuminates the path towards a just and equitable society. The LPF, in particular, presents a potential to galvanise our struggle, bringing with it the winds of change that could sweep across the country and ignite the flickering light to our national democratic revolution (NDR), propelling it unyieldingly towards the radiant shores of socialism. After all, it is our Party that correctly characterised the NDR as the

most direct route to socialism.

Whereas the Augmented Central Committee resolved to participate in elections through a reconfigured Alliance, this is not an end in itself but rather a means to an end. Essentially, it is about defending and advancing the NDR and the Freedom Charter's vision. Correctly so, the Party posits that through a reconfigured Alliance, collaborating with our Alliance partners, we should be in a far better place in analysing socio-economic conditions, developing a joint manifesto, implementing programmes, and ensuring discipline among candidates and public representatives.

The aim, the Party resolved, is to provide space for independent perspectives within the Alliance and to hold elected representatives accountable. Whether or not the reconfiguration of our Alliance materialises, the building of a LPF not merely as an alternative but rather a principled terrain on which a socialist struggle can be waged is pivotal. This is why, the Party rightly emphasises the importance of building a powerful socialist movement beyond elections. That is the essence of this article. It argues that building a LPF is a prerequisite for building a powerful socialist movement and fundamentally, one of the potential routes to building socialism in South Africa.

Theoretical basis of the left popular front

The concept of the left has undergone transformation with the mainstreaming of socialist and centre-left organisations that have, to some extent, embraced market-friendly policies while discarding the lexicon of national liberation and internationalism.¹ In order to discuss the left in the current context, it is necessary to develop a working definition that aligns with a Marxist-Leninist perspective. Similarly, it is imperative to ground the popular front concept not only in its historical context but also in our contemporary reality.

The popular front concept was approved by the Communist International (Comintern) in 1935, albeit under significantly different circumstances, leading to Communist Parties collaborating with liberal and centre-right organisations. How should the SACP interpret and apply this concept to our present-day context? This question may seem somewhat academic, given that the driving force of our revolution and the general population place little emphasis on political identities, focusing instead on their lived experiences shaped by material conditions. But it remains imperative to have a clear ideological orientation when discussing the LPF, as it has the potential to strategically alter the trajectory of our revolution.

At one level, a left project can be defined from an anti-imperialist perspective, with a strong emphasis on self-determination. But it can also be understood as oppositional to imperialism, particularly as articulated by Lenin in his analysis of imperialism as the highest stage of capitalism.² Nevertheless, the emergence of numerous 'left' governments that exhibit pro-imperialist tendencies and align with neoliberal capitalism has created some degree of confusion. Without falling into the trap of oversimplification, the left project can be described as “that current of thought, politics, and policy that stresses social improvements over macroeconomic orthodoxy, egalitarian distribution of wealth over its creation, sovereignty over international cooperation, democracy (at least when in opposition, if not necessarily once in power) over governmental effectiveness”.³

While some scholars argue for a broad definition of the left, including what they perceive as the 'right' and 'wrong' left, this article asserts that our understanding of the left as a Marxist-Leninist vanguard party remains unchanged. What might have undergone transformation are individuals or collectives previously aligned with left ideologies but have subsequently veered towards right-wing orientations. Historically,

the left has never been a binary construct. Nonetheless, our minimum understanding should acknowledge that the left aims to challenge the status quo and stands as the champion of equality and solidarity.⁴ Any credible left struggle must be inherently anti-capitalist and anti-imperialist.

Unlike liberals who prioritise individual freedoms and remain ambivalent about the systemic inequalities resulting from capitalist accumulation, the left unequivocally advocates for the emancipation of the marginalised. In this way, the left mobilises progressive forces towards building an egalitarian society. This societal transformation can be pursued through various avenues of power, including mainstream institutions of liberal democratic states such as legislatures, the executive branch of the state, and the judiciary whenever the need arises. This praxis is informed by Marx's observation that people do not engage in struggle under self-selected circumstances. This perspective reinforces the understanding that there is no unitary and universal left, since the left's struggles are context dependent.⁵ Consequently, there is no mathematical formula to guide the left's programme, particularly in the context of Popular Fronts.

The South African revolution, and specifically the SACP, has a rich history of creatively applying advanced theoretical principles of social change. This approach has been inspired by the international working-class movement but fundamentally shaped by a concrete study of our own indigenous conditions.⁶ Therefore, initiatives such as the LPF seek to contribute to the generation of deeper policy choices that offer an alternative to neoliberal market economics. In theorising the left, it is equally important to move away from the notion of Popular Fronts being purely election focused. While elections are significant, they do not constitute the sole democratic option for fostering change. The left has at its disposal various successful methods to pursue its goals.

The rise and fall of popular fronts – navigating pitfalls

Popular fronts typically emerge in response to pressing issues, such as the rise of fascism or discontent with neoliberal policies. For instance, the #ZumaMustFall movement in South Africa and the Left Front in West Bengal, India, based on the land issue (Operation Barga), which eventually culminated to its rise to power, both gained momentums based on specific societal discontents. However, history demonstrates that Popular Fronts that rise to power, such as the one in France in the 1930s, have often faced challenges and eventually collapsed due to a range of factors. Ignoring this historical context would be naïve. Contradictions, such as ideological differences with coalition partners, economic challenges stemming from external factors, and internal factionalism, have plagued Popular Fronts.

The French Popular Front, for example, rose to power in 1936 but struggled to maintain stability due to factors such as economic stagnation, inflation, and capital flight.⁷ This highlights the vulnerability of revolutions, which can face threats both internally and externally. The rise of popular front governments often occurs when the working class becomes disillusioned with the failures of neoliberal policies. However, the role of trade unions in socialist struggles poses a significant challenge. While trade unions play a strategic role as part of the exploited class, they are not inherently “consistently anti-capitalist”.⁸ Lenin characterised trade unions as representing the interests of specific groups of workers rather than the general interests of the proletariat, revealing at times a “narrow-mindedness” and reactionary perspective.⁹ This will be discussed in more detail below.

Once in power, popular front governments may find themselves compelled by exogenous factors to adopt right-wing policies. This was exemplified in Brazil when Lula da Silva’s Workers’ Party (PT) expelled radical Marxists and Trotskyists who remained committed to the left

project. As the PT sought broader appeal, it embraced ‘moderate’ policies, abandoning its historical progressive policy outlook for radical social transformation. It adopted market-friendly measures, such as pursuing macroeconomic stability, controlling inflation, and fiscal equilibrium, essentially perpetuating the economic policies of previous administrations.¹⁰ This shift made alliances with centre-right parties a logical choice, effectively replacing the left faction of the Popular Front with a new right-wing faction.

The reality of managing a capitalist economy poses challenges for progressive left governments like the PT. The ruling capitalist class, which controls crucial aspects of the economy such as “jobs, prices, production, growth, standard of living” and, fundamentally, “the economic security of everyone”¹¹ wields disproportionate influence over the state and democratic outcomes.¹² Progressive governments must navigate this reality, making it difficult to challenge the interests of the ruling class. Once in power, these governments often lose their ideological character, disappointing their historical support base. As in the PT’s case, it became “The Left that the Right dreamt about,”¹³ failing to pursue radical transformation and instead serving the interests of capitalism. The PT, like previous left governments, underestimated the resilience of liberal democratic state institutions as a lever for radical change. In addition, corruption and patronage often accompany political power, leading to scandals and a loss of popularity among the working class, as witnessed in the PT and in the Left Front of West Bengal, where the emergence of corruption compromised both the Front and the Communist Party.¹⁴

Despite some positive aspects, such as economic growth and poverty reduction, the PT ultimately succumbed to a right-wing onslaught. After just 13 years in power, the party “found itself out of power, discredited, demoralised and in some disarray,”¹⁵ with the little-known right-

wing politician Jair Bolsonaro emerging as a prominent force. Although Lula has returned to power for the second time, the jury is still out on whether together with the PT they remain the left force they once were. It is therefore crucial to approach the advancement of the LPF without romanticising the contest for state power and overlooking the pitfalls associated with political power, particularly for left governments. The challenges plaguing the ANC and its failure to advance radical transformation can also be understood in this context.

Strategic links between workplaces and communities

In implementing the LPF, it is essential to anchor it to the Party's programme, strategic perspectives and tasks – the South African Struggle for Socialism. This must be understood as a continuation of the South African Road to Socialism (SARS), which identified six key sites of power: the state, the economy, the workplace, the community, the battle of ideas, and the struggle for environmental justice. By examining these critical sites holistically and in relation to one another, we can emphasise the significance of the workplace in relation to communities, which are crucial pillars in building the LPF. Let us now turn our attention to examining of some pressing tasks.

SARS acknowledged that one of the current problems facing the workplace is the division of the working class by the capitalist class into three major strata: the formal, the casualised, and the marginalised. Since this remains the case, the Party must remain committed to working closely with the trade union movement to unite the working class against these divisions. Building workplace units that go beyond narrow wage struggles and address the needs of displaced workers who have become part of the informal sector or are currently unemployed remains crucial.

While organised labour will play a central role in the LPF, it is important to establish clear links between the workplace and communities.

For instance, Brazil's successful left formation, the PT, was formed by leaders of organised labour in the industrial heartland of Sao Paulo, in close collaboration with other progressive activists.¹⁶ While the experience of the Communist Party of the United States of America (CPUSA) illustrates how the Popular Front of the 1930s and 1940s led to an organic shift in its organisation. To avoid repression, Party activists took on leadership roles within trade unions, strengthening both the trade union movement and the Party.¹⁷

The LPF should therefore not be seen as an external action aimed at influencing the working class outside the SACP but rather as a platform for a renewal process that will simultaneously strengthen both the Party and the trade union movement. This, in turn, will increase the Party's influence on the shop floor and within broader society, across all spheres of power and influence.¹⁸ The CPUSA's experience demonstrates the benefits of creating flexible organisational forms within a popular front that enable effective recruitment campaigns. This required the Party to reorganise itself, shifting its focus to factories, trade unions, and neighbourhoods.¹⁹ The Party penetrated community organisations by addressing local issues, engaging in anti-war and anti-fascist campaigns, distributing Party materials, and participating in election campaigns.²⁰

While the specific context and dynamics may differ, the SACP can draw valuable lessons from the CPUSA's experience when implementing the LPF. However, such reorganisations are not without challenges. For example, the CPUSA experienced a reduced scope and focus on the point of production, which weakened the trade union movement, despite Party militants' presence.²¹ Similarly, the decline and absence of industrial and workplace Party units in South Africa can be considered a key contributing factor in the weakening of Cosatu. Therefore, it is crucial for the SACP to strike a balance in building the LPF, ensuring

that it does not neglect workers at the point of production.

Building a strong vanguard party

Another lesson from the CPUSA's reorganisation process pertains to the failure to simultaneously build the Party while immersing themselves in building the trade union movement. As the CPUSA embarked on a Popular Front, it failed to develop clear strategies to strengthen itself and extend its influence in mass organisations.²² The SACP should learn from this experience and resist revisionist approaches that deviate from its historical experiences. Shortcuts can have disastrous consequences for the Party. Therefore, as the SACP builds the LPF, it must remain committed to building and strengthening itself, alongside its efforts to foster mass support against neoliberalism. The Party's expertise in working within mass-based organisations should guide its approach to the LPF.

The SACP has a critical responsibility to apply its Marxism-Leninism in dealing with the question of the LPF and in building a powerful socialist movement. While frustration with the current state of the revolution is real, spontaneous action should be avoided. At the same time, the Party is duty bound to defend, deepen, and advance the NDR based on its historical analysis. This remains the terrain on which the socialist struggle should be waged. Innovation in working with various organisations, such as community-based, issue-based, women, and youth struggles, is crucial. The evolving nature of capitalism demands a new paradigm, which calls for the exploration and reimagining of knowledge production for revolutionary work, including political education and research capacity. Ultimately, engaging with concrete realities and winning the battle of ideas will pave the way for victory towards socialism. ●

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END NOTES

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