

# FIGHTING PRIVATISATION IN SOUTH AFRICA



*LESSONS FROM THE STRUGGLE AGAINST  
NEO-LIBERALISM AT WITS UNIVERSITY*

**A South African Anarchist Pamphlet**



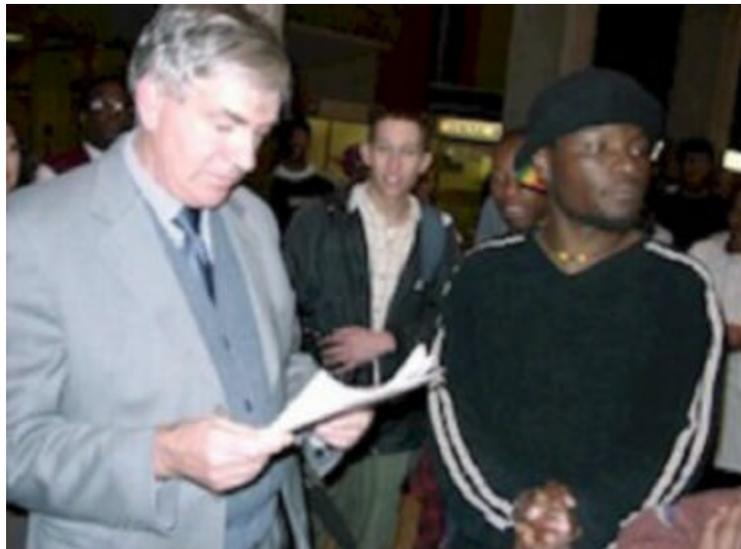
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# FIGHTING PRIVATISATION IN SOUTH AFRICA

## LESSONS FROM THE STRUGGLE AGAINST NEO-LIBERALISM AT WITS UNIVERSITY

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## **INTRODUCTION**

On the 24 February 2001, the Council of the University of the Witwatersrand (Wits) in Johannesburg voted to close down four major support service departments.

As a direct result of this decision, 613 workers were retrenched in June that year. The departments – cleaning, catering, maintenance and grounds - were then reopened under low wage, no-benefit-scheme, non-union subcontracting companies.

This restructuring formed part of a broader programme to transform Wits into a “market university,” orientated first and foremost towards profit-making and close partnership with big business and the State. This programme, dubbed Wits 2001, aimed at transforming research and teaching into opportunities for capital accumulation and at focussing university activities on the needs of the capitalist class.

This booklet, written by an anarchist militant involved in the struggle against Wits 2001, will situate the Wits 2001 programme within the context of the broader neo-liberal assault on the working class that is ravaging South Africa. Wits 2001 is one manifestation of the neo-liberal offensive backed by the capitalist class and enforced by the State.

The booklet has a second aim: to record the history of the struggle against Wits 2001 and to draw the lessons of this struggle for militants and activists at Wits and at other sites of struggle between the neo-liberal capitalist bloc and the broad working class.

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***“The emancipation of  
the working class shall  
be the task of the  
working class itself”***

***Declaration of the anarchists in the  
International Working Men’s Association,  
founded in 1864***



# **CHAPTER 1:**

## **Revolutionary Anarchism**



## **REVOLUTIONARY ANARCHISM**

This booklet is written from an anarchist perspective; that is to say, the author is an anti-authoritarian and an opponent of capitalism and the state.

The anarchist movement, rising rapidly internationally, and at the centre of the new anti-capitalist movement that has confronted and disrupted the congresses of the international ruling class - whether at Seattle in November 1999, Prague in September 2000, or Genoa in July 2001 - stands for three basic principles.

The first is that of an international class struggle: disregarding borders, the anarchist movement strives to unite the global working class in a struggle for the abolition of capitalism, the state and all forms of social and economic inequality and oppression.

Revolutionary anarchism is anti-capitalist and anti-statist. It does not seek to humanise capitalism, but to destroy it, recognising capitalism as an irrational and exploitative social system that destroys whole nations, classes, tribes and environments in the interests of profit-making by the ruling elite of big business, top state officials, and the military commands. This ruling elite – the capitalist class - constitutes a small minority of the world's people. Yet it holds all life, and all lives, in its grasp.

Only we, the working class, have any real class interest in opposing capitalism and its institutions; we do not look to rich philanthropists, or the radical middle class, for social solutions. It is the historic mission of the working class – the slave classes on which the capitalist system rests - to replace this system with a new world of free or libertarian communism.

Revolutionary anarchism is anti-statist, and despises the idea that the capitalist State can be used to defend us, the workers and poor, against capitalism. The State exists simply to *defend* the capitalist system; it is as much the enemy of ordinary people as the capitalist economy. The state is a like combination of trade union, private security company and propaganda service for the capitalist class.

Mainstream political parties and politicians are *part* of the State apparatus, and are used by the capitalist class to control and defuse working class militancy wherever possible. There is thus no difference, in practice, between an MP and a businessman, between a general and a top manager.

All members of the capitalist class are united against *us*. This is true despite the fierce disagreements that exist in the ranks of the capitalist class regarding how best to rule the slaves, and how best to distribute the profit on which

be avoided: since Bakunin, anarchists have sought to build such structures to defend our class from capitalism and the *ideas* it represents.

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many academics not much more than double that - it would be a good place to start a struggle against the hierarchical structure of university governance itself.

Instead of new faces, we need new structures. We need popular campaigns that move towards the construction of counter-power on campuses, immanent forms of popular governance that are outside and against the management.

This requires two things: on the one hand, building popular forms of counter-power on campus that draw in workers, academics and students; and, on the other, links and alliances to off-campus groups. The aim of counter-power on campus should be the democratic governance of Wits, and for the reorientation of Wits from big business and the State that defends capital, to an institution run by, for and in the interests of, the working class.

What we need to do is to struggle to replace the capitalist structure of power we have at present with a democratic structure in which power resides with the majority of the University community, support and teaching staff, researchers, and students, in consultation with the broader working class.

This sort of Workers' University would be responsive to OUR needs, not those of capital. It would be aimed, fundamentally, at social transformation in the interests of the working class against capitalism.

We need, in other words, to think about building a "university Soviet" as the first step towards ousting the capitalist management and implementing working class self-management. We can move towards this through a general fight against neo-liberalism on campus, for job security, access for poor students, and democracy in the workplace.

### ***The need for an anarchist organisation***

It is not enough for there to be structures of dual power. If these lack clear aims and goals, they can – and will - be hijacked by politicians and subordinated to the State. It is also necessary to build an anarchist organisation that has clear tactical and theoretical unity – a clear programme of action and a unified revolutionary programme - that can fight for the leading role of the anarchist idea *within* the structures of dual power.

If we do not organise in this way, there is no doubt at all that these structures will be hijacked. Thus, the work of fighting for dual power must be matched by the forging of an anarchist organisation that champions participatory democracy, direct action, and libertarian communism, not to win power for itself, but to enable the working class to *liberate* itself in our own interests. This task cannot

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they feast. This feast is, after all, baked out of our suffering, filled with our lives, and garnished with our blood.

The struggle of the working class against the capitalist class must not, however, just be internationalist – organised across borders – but also international – taking place on an international scale.

The *forms* of struggle that we adopt must be consistent with our anti-authoritarianism: struggle must be based on self-managed forms of action and organisation, organisations and personal relations that are as libertarian as possible, in which dissent and debate are not distractions but the motor of a vibrant, participatory culture of resistance that evolves, advances and learns from its mistakes, but at all times refuses co-optation by the capitalist class, and refuses to engage the system by making "constructive" proposals for its humanisation.

For the anarchist movement, class struggle is not an abstraction, or something that should be left up to politicians and union leaders, but a lived reality, a state of continual militancy and confrontation on all social fronts between us, the working class, on the one hand, and the capitalist class, on the other.

We therefore reject any politics of alliances with the capitalist class or middle class, such as those advocated by nationalists for whom the whole "nation" or "race" must unite to save or create "the country." Every race, nation and country is riven by class antagonisms, and nationalism can only serve to bind the us, the working class, in subordination to local capital.

As Peter Arshinov and Nestor Makhno put it in the 1926 *Organisationa Platform of the Libertarian Communists*, "anarchism does not derive from the abstract reflections of an intellectual or a philosopher, but from the direct struggle of workers against capitalism, from the needs and necessities of the workers, from their aspirations to liberty and equality, aspirations which become particularly alive in the best heroic period of the life and struggle of the working masses."

The second principle of the anarchist movement is therefore the principle of direct action: anarchism rejects the delegation of struggle to politicians and leaders, including union leaders, and despises attempts to use the State against capitalism. The State cannot be used *against* capitalism anymore than an ear can see, or an eye hear. The State is an instrument of oppression, built to be used by a small elite to defend their power and privileges and, as such, cannot be an instrument of liberation.

Elections – even with "left", candidates running - are a farce that do not fundamentally change government policy and serve only to disorganise the working class and peasantry and to co-opt militants who try to use elections as a "platform" for the poor.

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Nationalisation, too, is nothing but a transfer of assets from one section of the capitalist class to another: it has no anti-capitalist content whatsoever. It is problematic to even refer to the State-controlled sector of the economy as the "public sector," if by this we mean that "the people" own these assets, because this assumes that "the people" actually control the State in the first place. Only a minority of "the people" – the capitalist class - control State power.

It is equally meaningless to speak of a political party "taking state power" because state power is *always* in the hands of the capitalist class. All that happens is that different factions of the capitalist class contend for more influence within the state, but always *within* the confines of capitalist rule. "Political revolutions," in which power is transferred between factions of the capitalist class forcefully – whether through a coup d'etat, a palace revolution, or a military take over - are therefore not "revolutions" at all, but violent squabbles *within* the capitalist class.

Anarchists are for socialism or communism – a society based on production for need, self-management of the economy and the abolition of profiteering - but we deny that the so-called "socialist" regimes of the former east bloc – the Soviet Union, East Europe, Cuba, North Korea, China etc. - were socialist in any respect.

The brutal suppression of the working class, the absence of even basic trade union rights, the lack of even basic political and civil rights which characterise these countries demonstrate that these regimes were *based on* the suppression of the working class and peasantry through political terrorism from above by a red bourgeoisie, a capitalist class organised as a ruling Communist Party through the State: a form of capitalism best called "state-capitalism."

Just as we must not be fooled by the rhetoric of "democracy" in the west or south, we must not be fooled by the rhetoric of "socialism" in the remaining outposts of the old east bloc such as Cuba.

It is therefore important to rely on struggles from below, and to struggle through actions and structures that are self-managed, self-organised, under our direct control and in *all* respects exemplify our anti-authoritarianism and opposition to the system under which we live.

We need to build our capacity to resist *outside and against* the State and other institutions of the ruling class. We, the working class, need to organise in a manner that is both independent of, and hostile to, the capitalist class and its institutions.

For anarchism to have any meaning, it is vital that anarchist militants immerse themselves in the struggles of the working class, trying, always, to push those struggles and the organisations in which they are expressed, into the direction

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organisations, and the large layer of radicalised working class people, that will allow us to move towards the revolution.

So, although today we, the working class, are on the retreat, we can start to lay the *foundations* for revolutionary dual power, and so, for anarchist revolution. A house is not built in a day. Neither is a revolution. The revolution must be built today.

This means our unions and community structures, and the struggles we conduct through these structures, must mirror the free, democratic anarchist communist society at which we aim. They must be

- Democratic and self-managed
- Working class and based on working class interests and needs
- Irreconcilably opposed to the capitalist class and the capitalist state
- Militant and based on direct action, rather than electioneering and party-building

## **Transforming higher education in South Africa**

What does this mean for higher education?

Our long-term vision in this sector must be a "workers university," self-governed by the working class in our own interests through the institutional framework of radical unions in a free anarchist society.

It is no good to continually play the game of musical chairs, where activists continually waste their time trying to get a "comrade" into office as the Vice-Chancellor.

If there is one lesson to be drawn from the succession of "progressive" Vice-Chancellors - be it Ramashala, Ramphela, or Bundy - that have plagued us with vicious neo-liberal restructurings backed by authoritarian clamp-downs on protest and dissent, it is that there is something irredeemably rotten about Vice-Chancellorship itself.

It is a system of legalised coercion and class domination on campus, accountable to a neo-liberal government and responsible to an aggressive, neo-liberal capitalist class. It is not compatible with struggles for a labour, and working class-friendly, higher education system.

We need to fight to abolish the Vice-Chancellorship itself. Not only would this help prevent the gross injustice of yet another rich person getting the usual salary of over R50 000 a month - whilst workers get R1000-R2000, and a good

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People say a leopard cannot change its spots. We say that the state *cannot* change. It cannot be used in the interests of the working class, because it is by its very nature, anti-working class, a bureaucratic, undemocratic pyramid of power that allows a tiny elite of capitalists, politicians, top officials and generals to oppress our class.

*Therefore, in every struggle, we must look at ways of using the struggle to build zones of counter-power and democratic working class self-management that can provide the embryo of an anarchist communist society.*

Our unions must form the germs of the workplace councils of the future, through which we will run our workplaces. Our community structures must form the basis for the neighbourhood councils of the future, through which we will self-govern the areas where we live.

Our struggles must always unite these structures so that we have the embryo of a large-scale international workers' confederation. There will then be a situation of *dual power*, in which the two main classes and our organisations will face-off. On the one side: capital and the State; on the other, our organs of working class power.

Matters will come down to a decisive conflict between the two classes and the futures they represent: more slavery under capitalism, or anarchist communism and human freedom.

If the organs of working class power are able to seize and defend the means of production, and crush the capitalist state, then we can replace the capitalist state with working class self-government that spans and crosses borders, uniting the *whole* working class of the world, all humanity, in a free society, a global workers' society.

This is the revolution. If we fail, we will be drowned in capitalist counter-revolution.

*We must therefore aim at building organised dual power in every workplace, in every working class community. When we are strong enough, the unions and community structures will abolish capitalism and the capitalist state, and institute anarchist communism.*

## **From resistance to revolution**

*Right now*, we are in no position to crush capitalism.

The main *immediate* task is to resist and disrupt the neo-liberal agenda. It is in the process of resisting and disrupting that we can build the mass

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of self-management, direct action and, ultimately, social revolution because capitalism and the State cannot be humanised, *they must be abolished*.

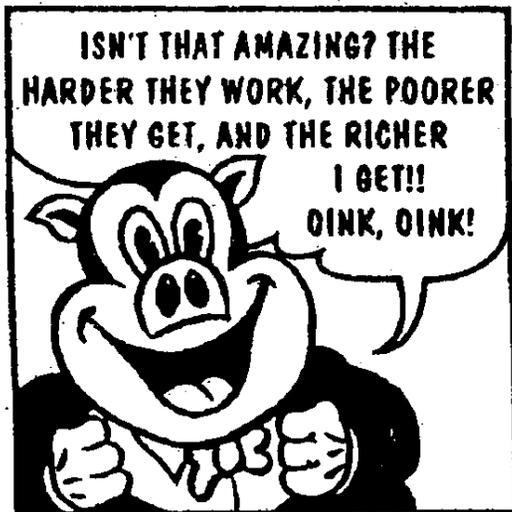
As Arshinov expressed it in his 1923 History of the Makhnovist Movement, (1918-1921), "anarchism is not mysticism; it is not a discourse on beauty; it is not a cry of despair... It carries within itself the truth, the heroism and the aspirations of the masses, and it is today the only social doctrine which the masses can count on in their struggle... Anarchism must go to the masses and merge with them."

Therefore the third principle of revolutionary anarchism is this: as we organise and grow more powerful, at the workplace and in the poor communities, we will develop the force that can overthrow capitalism and the State, and the organisational structures that will allow for the self-management of work and communal control of residential areas. This will be part of an international federation of self-managed worker and community councils.

Hence, anarchism stands for free or libertarian communism in place of capitalism and the State, whilst also rejecting the notion that nationalisation or "state-capitalism" represents a fundamental change in social relations. Any meaningful communism must be based on democracy, on anti-authoritarianism, and on the self-expression and self-management of individuals, workplaces and neighbourhoods.

# CHAPTER 2:

## *GEAR, Neo-Liberalism and the ANC*



We need to be active in our unions so as to *widen union power* - specifically, extending the union into non-traditional sectors such as the higher grades (in the universities, this would mean white-collar workers, office staff, IT workers, academics etc.) as well as organising the growing army of casual workers.

This may require a certain tactical sophistication: sub-contracting companies are hard to organise and so, we must carefully lay the ground for a decisive union-centred battle by these workers. The key demands here would be for the casuals to be "in-sourced": to be employed by the main company on the basis of standard working conditions and rights.

It is therefore important to build *caucuses* in the unions and launch a rank-and-file movement around the demand to democratise the unions, rely on direct action, and build a *self-emancipatory* union movement.

Further, such a movement should actively campaign for building links between unions in different sectors, and between unions and working class community structures, uniting these different organisational expressions of our class into a single fight against neo-liberalism, the face of capitalism today.

On the campuses, this would mean linking with the student movement in order to strengthen labour's fight. This should not be done in such a way as to sacrifice any union independence, or in a way that sacrifices the leading role of the working class in the struggle against neo-liberalism. It is possible to win the support of radical students, providing a layer of support, activists, and media work that can strengthen the union.

*And we, as anarchists, call on student and worker militants, to think upon the ideas, tactics and strategies of anarchism, and to commit themselves to building an anarchist union movement in South Africa.*

### ***For revolutionary dual power***

Capitalism cannot exist without exploiting and oppressing us, the workers and poor. This is a fact. The ways of exploiting and oppressing the working class change over time. The members of the ruling class change over time. But so long as we live under capitalism, the working class will suffer. And the capitalist state will always be there to promote and enforce that suffering.

Hence, in every struggle, we need to be clear about our end goal: a social revolution against capitalism *and* the capitalist state. We have no interest whatsoever in a *political* revolution, in which revolutionaries try and take over the state for the "benefit" of the workers. This can only lead to a new elite exploiting and oppressing us working and poor people.

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paralyse its actions, be torn down and replaced. In other words, we must *self-manage* our organisations, and self-manage our struggles.

We cannot enter into battle against the capitalist class if we have enemies in our ranks.

Union strategy must also be rethought. Official COSATU strategy centres on making appeals to the ANC, submitting policy papers to parliament, and holding national level talks with the ruling class, with strikes as a last resort. *This must change.*

The unions must centre on *direct action*. We need to fight in a way that strengthens and empowers all union members: a democratic fight under the direction, direct control and self-management, of the workers. We must avoid tactics - like electioneering for the ANC, sending union leaders to parliament etc. - that demobilise the rank-and-file and sow illusions in the capitalist parliamentary system.

Fighting in this way will tap into the creativity and the fighting spirit of the working class in the depths of resistance that have sustained us in our struggle against apartheid.

There was no good reason for confining our union struggle at Wits to daily pickets for four months. So much more could have been done if we had not held back and wasted our energy!

Linked to this is the need for *workers' self-education*. It is important to start discussing politics in the unions again. We need to have open and honest discussions about the class character of the ANC, and the class nature of GEAR.

We need to be independent of *all* political parties. Time and again history has shown that all political parties are enemies of the working class. Time and again history has shown that political parties, and the illusions in the so-called electoral process that they peddle to the ignorant, are amongst the greatest threats the working class faces.

Every time the working class is on the move, and in the process of emancipating ourselves, ambitious politicians appear and call for the formation of a new political party to save us. Time, energy and faith are put into the new parties, which either bumble hopelessly and lose the elections, or win a cushy job in the capitalist state for the politicians. *And nothing changes.*

The key issue here is to defend the autonomy and independence of the unions from all political parties. This means, obviously, breaking the Alliance with the ANC, and, equally important, rejecting any new alliances with political parties and politicians. Political action – the faith and reliance on politicians to emancipate us through elections - must be replaced by direct action – emancipating ourselves through our *own* actions and our own struggles.

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# **GEAR, NEO-LIBERALISM AND THE ANC**

### ***Whose class interests does the ANC serve?***

Seven years ago, South Africa held its first non-racial parliamentary elections. This was, in many ways, an important advance for black people because for the first time the South African state was to be run on the principles of non-racism and non-sexism.

As such, the “democratic breakthrough” represented an important victory against the national oppression that has cursed the country for centuries. Anarchists therefore supported and celebrated the historic victory of the black working class as a fundamental victory over white supremacy, and an inspiration to oppressed nationalities the world over. Some anarchists also favoured an African National Congress (ANC) victory in 1994 as consolidation of this Uhuru election.

It was clear, however, that the struggle was far from over. Although it played an important role in the national liberation struggle, the ANC was not a party that had working class interests at heart. This was shown by its enthusiastic adoption of anti-working class policies after 1994 showed (see below) and the scramble by ANC leaders to get rich quick. The South African state itself continued – inevitably – to serve the needs of the capitalist class.

And still trapped in the cage of capitalist exploitation, still ruled by an essentially oppressive and brutal State apparatus, we, the workers and poor, had to keep fighting for our economic and social emancipation. The material conditions of the black working class, in particular, were not improved, whilst the conditions of a section of white labour began to deteriorate rapidly.

Political and civil rights are meaningless if one is starving, suffering, enslaved and oppressed at work, or trapped in the prison of unemployment. They are even more meaningless when the main parties for which workers vote, be it the ANC or the Democratic Alliance (DA), are pro-capitalist through and through, and the small ruling class continues to make all major decisions in society.

On the other hand, the new rights enshrined in the constitution provided an opportunity, a space, for the further development of a radical working class movement, whilst the ascension of the ANC to the government created an opportunity for the exposure of the anti-working class character of the party.

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Seven years after the first parliamentary elections, seven years under the African National Congress (ANC) government inaugurated in 1994, the questions can easily be answered: Where is the new South Africa going? Whose class interests does the ANC serve?

Consider the implications of the following three events in South Africa in 2000:

- \* In February 2000, the government announced its Budget for the year 2000/2001. Health spending remained static, despite massive backlogs. At the same time, real spending on education, housing and other social services was cut back by 1%, 14% and 11% respectively.
- \* In May 2000, riot police fired on students protesting expulsion from the University of Durban Westville for being unable to pay tuition fees. One student, Masophe Makhabane, was shot dead by the police.
- \* In June 2000, ANC Minister of Education Kader Asmal announced on television that government would no longer supply textbooks to schools. Why? It would save the government an estimated R1 billion a year.

### ***Neo-liberalism under the ANC government***

These three events are all symptoms of the broader neo-liberal policies of the ANC government.

Codified in the Growth, Employment and Redistribution strategy (GEAR), which was launched by the ANC in June 1996, and adopted by the party as a whole soon afterwards, the ANC's neo-liberal programme is opposed to direct state intervention in the economy.

Like other neo-liberal programmes, which are being implemented in almost every country in the world today, GEAR includes the following aims:

*The privatisation of state assets:* This means that government companies (such as ESKOM, SASOL, SPOORNET and TELKOM) must be fully sold to big business, or partly sold ("public-private partnerships"), or run on business principles ("commercialised" and "corporatised"). In other words, GEAR advocates the application of strict profit-making criteria to state companies. It also suggests that government utilities - such as water, refuse-collection and road repair - as well as departments of other government-linked structures - such as universities - should be "corporatised" and contracted out to big business.

In other words, privatisation mainly refers to the sale of state assets to big business, but it also involves the introduction of business-management styles and

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At best, a genuine revolutionary who got into office in the capitalist state would be marginalised and her or his proposals ignored, outvoted or sabotaged.

At worst - and this is the most common scenario - our revolutionary would sell-out to the ruling class and become yet another flunky for capitalism, another Bundy. The more left-wing the better: the capitalist class actually prefers to use ex-revolutionaries like Bundy to do their dirty work because they have more credibility with the working class and so are better suited to coating the poison of neo-liberalism with the sugar of revolutionary rhetoric.

Not one single left-wing party has ever got into office without selling out the working class.

*Hence, we do not just point fingers at the ANC. As Anarchists, we recognise that the ANC is an example of what is wrong with political parties as a whole, and we recognise that the ANC government is an example of what is wrong with the capitalist state as a whole.*

### ***Reform and radicalise the unions***

The second lesson is that GEAR will continue to be ruthlessly implemented and developed, enveloping all spheres of social life, and that only a powerful working class resistance can disrupt this assault.

It is crucial that the struggle against neo-liberalism centres on the union movement, in alliance with working-class community structures.

Far too many comrades in the new anti-privatisation movement in South Africa dismiss the unions. This is a mistake.

At the moment, it is true, the unions are lagging behind the communities. But without a proletarian revolt at the *workplace* we will never be able to crush capitalism. We need to take over the companies and this cannot be done from the streets of the townships: it must be undertaken by a revolutionary workplace occupation movement.

A precondition for any successful battle is a strategic battle-plan and united worker and poor self-defence committees organised into a workers militia under the control of the community and worker councils.

For the union movement, this means developing a culture of *workers control* in which the union is under the control of its members. Sadly, this is precisely where our unions are falling down today.

Weak, corrupt, opportunist and undemocratic union leaders must be expelled, and undemocratic union structures that divide the union against itself, and

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confusion about the source of neo-liberal attacks on the working class plays into the capitalists' hands.

Hence, the ANC and the state must be ruthlessly exposed and resisted. The struggle is against *both* capitalism and the state that serves it.

### ***Against elections – for direct action***

The state should be seen as an enemy of the working class, not an ally, and certainly not an alternative to the capitalist system.

It is not the case that privatisation is being imposed on an “innocent” State: the State, as defender of capital, is brutally enforcing the neo-liberal agenda. It is part of the problem, not the solution.

This is where the left is failing. Although on a daily basis the working class ghettos are under siege from the local government structures, the mainstream left continues to campaign *in support* of the ANC at election time.

This is, to put it mildly, highly confused. All of the main political parties are in open support of GEAR, so it makes no sense to vote for the ANC as a lesser evil. The ANC is not preferable to the parties such as the Democratic Alliance (DA): it is indistinguishable in its economic policies.

*The ANC, as the main political party of the capitalist class and the immediate and main enemy of the working class.* To vote for the ANC is to vote for GEAR. Simple as that.

If the DA was in office, we would have no hesitation in fighting back in the most determined manner. Given that the ANC is as anti-working class as the DA, why should we hold back?

But what about running “our own” candidates, some anti-privatisation activists argue?

The problem with this view is that the ANC is, ultimately, only a symptom of the problem of government.

The state itself is nothing but an instrument, a social machine, to maintain the power of the capitalist ruling class, and to implement the strategies of the ruling class against the working class. The belief that we can use the capitalist state to win gains for working class people is the height of naivety.

The state is like a trade union for capitalists: it unites and generalises and enforces the broad needs and demands of the capitalist ruling class against the working class. To think we can wrest this vicious machine away from the capitalist class who designed it, founded it, and run it, is absurd.

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aims into the “public sector” of the economy, running it like any other private company.

As part of this new orientation, services such as electricity get provided on a strict “cost-recovery” basis: if you cannot pay then you cannot receive the service. In practice this means that services become orientated towards the middle class and the capitalist class, whilst increasing numbers of working class people are entirely excluded from such services.

The aim is, simply put, to open up the public sector to profitable investment by big business, whilst squeezing the poor for a few more cents.

*Free trade and the lifting of restrictions on capital movement* : Instead of protecting local business by barring cheap foreign imports, neo-liberalism stands for “free trade”: local industries must sink or swim in the face of global competition from foreign businesses. This is essentially a programme for big companies to drive out smaller ones and for the largest local capitalist companies to transform themselves into multi-national corporations whose “globalised” operations span Africa, Europe and the USA and Latin America.

Neo-liberals also believe that there should be no restrictions on money moving in and out of a country's economy. If a company does not like a particular country, they argue, it should be allowed to pack up its bags and go somewhere better. The job of the State, from this perspective, is not to force local companies to invest in the country, but attract investment from both local and foreign capital by providing attractive conditions for investors.

This not only radically increases the power of capitalists against trade unions, but also facilitates the international expansion of local big business.

*Cuts in government spending*: Neo-liberals believe that States spend too much on promoting local business, as well as too much on social welfare (for example, old age pensions and disability grants) and social services (such as schools, hospitals, universities and housing). This “excessive” spending is seen as a major problem as it devours money that could be used by private business (“crowding-out”) and as it leads to higher taxes on company profits and the wealthy.

Neo-liberals advocate cuts in social welfare and mass layoffs in the public service as a way to create a “lean” state. This is called “fiscal discipline” or “austerity.”

It is this GEAR policy that underlies the crisis in education and welfare outlined above, GEAR's commitment to “right-sizing” the public service (in 1998, for instance, government laid-off more than 30 000 school teachers) and GEAR's commitment to a general wage freeze for government employees (concretised in the

## **FIGHTING PRIVATISATION IN SA - PAGE 12**

unilateral implementation of a public sector wage increase in 1999 that fell far short of union demands).

The aim is, in part, to allow tax on big companies and wealthy individuals to be cut: tax on corporate profit has fallen from well over half of all government revenue in the early 1970s to less than twenty percent overall today. An additional aim is to open up social services for profitable private schooling, hospitals, and insurance schemes, whilst also freeing up local financial markets and impoverishing the working class yet further.

*The promotion of "labour market flexibility":* Neo-liberals argue that workers have too many rights, and are overpaid. This makes it hard for local business to respond to global competition because these rights, and the trade unions that enforce them, interfere with management decisions about work practices, wage levels and employment levels.

Neo-liberals believe that workers must be hired and fired as employers see fit, with as few restrictions as possible. They also believe that wages must be driven as low as possible.

GEAR therefore calls for "regulated flexibility" according to which young workers should only be paid "trainee wages" and firms can apply for exemptions from heavy labour laws. The proposed labour law amendments, tabled in 2000, aim at laying the basis for the generalisation of "regulated flexibility."

*A strong state:* Neo-liberals are not against the state. This is a mistake made by reformists who think that the State exists to defend ordinary people, and who therefore assume that government cuts in social welfare and the regulation of business "weaken" the State.

Nor do neo-liberals aim to weaken the State. Neo-liberal policies are implemented and enforced by the State. And under neo-liberalism, the power of the State is *increased*, rather than reduced. Despite the general commitment to cutting welfare spending and the size of the public service, neo-liberals have consistently argued for *increased* spending on the armed apparatus of the State - the police, courts, prisons, and army - and increasingly strict sentencing for criminals.

This makes sense, because neo-liberal policies not only lead to massively increased unemployment and poverty due to privatisation, free trade, welfare austerity, and labour flexibility – resulting in increased crime based in shattered working class districts- but also because neo-liberal policies inevitably result in working class resistance that has to be suppressed in order for these policies to be implemented. Riots, community struggles, and strikes, should be controlled with an

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# **FOR AN INDEPENDENT WORKING CLASS POLITICS, AGAINST NEO-LIBERALISM**

Drawing on the above discussion, there are several important lessons that need to be drawn from an anarchist perspective, and as a contribution towards the building of a revolutionary anarchist movement that can abolish capitalism, the capitalist state that serves it, and create a society based on self-government by the working class, for the working class, and of the working class.

In such a society - anarchist communism – the class system and racial oppression would be abolished, production and distribution would be collectively and democratically managed from below, and human need – not profit – would be the basis for social planning.

## ***Outside and against the state, outside and against the ANC***

The most basic lesson to be drawn from the fight against Wits 2001 is that the ANC, and the South African government, are as much the enemies of the working class as their apartheid predecessors.

Nothing can hide the fact that Wits 2001 was GEAR on a local level.

African nationalists who blame Wits 2001 on Bundy as a white, or who sense a "liberal" hand behind the programme, or see sinister ulterior racial motives and language within the consultants' report, are blind to this fact. This simply confuses the issue.

It accomplishes nothing to see Wits 2001 as an attempt to "sabotage transformation," as if the ANC has a left-wing transformation agenda that is being undermined by old order reactionaries. The ANC is *allied* to precisely the class that benefited most from the old order: the capitalist ruling class.

Wits 2001 was no accident: it is part of the neo-liberal agenda of the capitalist ruling class. Nothing more. Nothing less. The prevailing political

# CHAPTER 7:

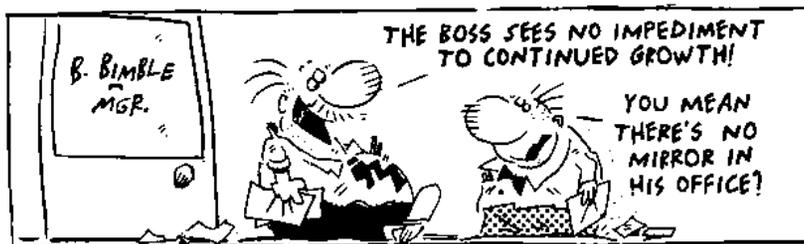
## *For an Independent Working Class Politics, against Neo-Liberalism*

iron fist. This can take the form of using the army to evict squatters, court interdicts to stop strikes, the victimisation of militants, expulsions, harassment, etc.

Neo-liberalism is therefore always associated with a "law-and-order" hysteria and a massive increase in spending on the armed forces at the exact same time that social welfare and government jobs are cut.

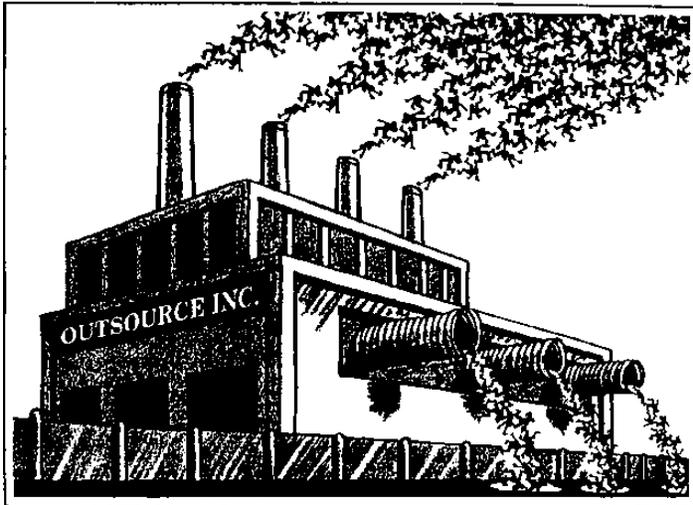
The implementation of GEAR has been accompanied by a stress on "zero tolerance" policing and an increased budget for the police and army. The emphasis of the Budget for 2000 is on criminal justice and policing (justice is up 4% in real terms, prisons up 5%, although policing is down by 1%) and the military (defence is up 21%).

Add to this the rapid expansion of the private security industry – which has around eight times more security personnel than the police force – and it is clear that neo-liberalism is associated with a militarised, authoritarian and increasingly violent State apparatus.



# CHAPTER 3:

## *Neo-Liberalism and the “Democratic Transition” in South Africa*



The APF announced its birth during a prestigious international conference on “Urban Futures” co-hosted by Wits and the Greater Johannesburg Metropolitan Council in the second week of July 2000.

During the week of the conference, there were several protests and disruptions by the APF at sessions of “Urban Futures.”

This culminated in a forcible disruption and occupation of the Great Hall at Wits, where the final session of the conference was to take place on Friday 14 July. The session, which was to have been addressed by Bundy and Kenny Fihla, ANC city manager for greater Johannesburg, symbolised the link between privatisation struggles. A red-faced Bundy vacated the Hall as 100 protestors – including many retrenched Wits protestors – stormed into the Hall.

Following the Urban Futures disruption, Bundy’s administration applied for court interdicts against SASCO, the Students Representative Council, the Postgraduate Association and NEHAWU, as well as 14 named individuals, including NEHAWU’s president Vusi Nhlapo (a Wits employee and union representative on the Wits Council). The interdicts were intended to ban protestors from activities such as making a noise, occupying or blockading offices, and “intimidation,” and empower the administration to use police to arrest activists.

Two militant academics were also called in by their heads of department, and informed that disciplinary action was being set in place against them for their role in the disruption. The penalties ranged from fines, through suspensions, to dismissal.

Neither the interdicts nor the disciplinary hearings went ahead. The threat of the interdicts and the smashing of the union perhaps rendered these extreme measures unnecessary.

The weakness and sporadic nature of the student movement meant that it was a limited threat. Management, by dividing the support service and academic retrenchments by six months, with actual dismissals timed for the vacation periods, and leaving tough new student fee policies for 2001, helped prevent a firm united front from developing. Further, management played off students and academics against the workers, arguing that the retrenchments would benefit both students and academics.

movement in the face of an influx of bourgeois and aspirant bourgeois black students all put the left on the defensive.

NEHAWU's reliance on labour laws and labour conciliation procedures - exemplified by the fact that NEHAWU's main response to the retrenchments is to set in matter a Labour Court action - also held the struggle back.

Worried about the repercussions of direct actions on its case, NEHAWU did not join the students' occupation of Bundy's office, or accept other radical proposals from the students and academic militants. These included proposals to occupy the pavement at Bundy's house with a shantytown to draw attention to the workers' plight, and to barricade the entrances to the university.

It is also true that the post-apartheid Labour Relations Act (LRA) of 1995 makes it very difficult to fight retrenchments through the law. Section 189 of the LRA, which deals with retrenchments, authorises retrenchments for reasons of "operational requirements" - i.e. management plans- and forbids strike actions against retrenchments.

If the correct procedures are followed- nominal consultation with unions, proper severance packages, and a proper open process - then there is nothing unions can do *within the framework of the law* to stop retrenchments. At best, unions can demonstrate that the correct procedures were not followed and either seek compensation or a new round of Section 189 procedures.

This was, essentially, NEHAWU's approach at Wits. Having refused to reach an agreement with the management over the retrenchments, NEHAWU has been able to argue that it was not properly consulted, and has been able to send the matter to the Labour Court. The case will almost certainly not be heard before 2002, and it is hard to see how this was a more effective approach than less-than-legal forms of direct action which had a chance of stopping the retrenchments in the first instance.

### ***The Anti-Privatisation Forum***

There was, however, one important achievement of the Wits struggle. In early July 2000, the ad hoc "Wits University Crisis Committee," made up of SASCO, NEHAWU, and academic militants, merged with the "Anti-iGoli Forum" to found the *Anti-Privatisation Forum* (APF). The Anti-iGoli Forum had been founded a year earlier to unite union and community struggles against "iGoli 2002," an ambitious plan to privatise the greater Johannesburg municipality.

## **NEO-LIBERALISM AND THE "DEMOCRATIC TRANSITION" IN SOUTH AFRICA**

### ***The roots of the neo-liberal offensive***

Neo-liberal policies have been adopted by all industrial countries, as well as by most developing countries. The reasons for this policy shift must be located within the workings of the international capitalist economy.

Between the 1940s and the 1960s, most capitalist companies prospered, both in South Africa and internationally. The companies grew and made huge profits and operated in a very stable environment. In this period, the companies grew, bought more and more machinery, and continually increased their production. South Africa's economy, for example, grew at an average of 6% per year in the 1960s - faster than the economies of the USA or Germany!

In this period, a wide range of direct assistance by the capitalist State underpinned capitalist development.

World War Two devastated Europe and Japan, and their capitalist classes, desperate to recover, and afraid of an increasingly militant working class, used the State to stimulate economic growth and improve living standards. State spending on education, welfare, cheap loans to industry, the nationalisation of ailing industries, government contracts to buy from local industry, and public works programmes, all played a central role in capitalist recovery.

In the former colonial countries, most of which achieved their independence between the 1940s and the 1960s, the underdeveloped local capitalist classes implemented even more exhaustive measures to rapidly develop their local industries.

Called "developmentalism," the approach of these emerging capitalist classes involved the development of a large state sector of the economy - artificially creating new industries and taking over old ones so as to direct their output into strategic areas - as well as the suppression of independent trade unions and the erection of powerful barriers to the import of cheap merchandise from their former colonial masters (called "import-substitution-industrialisation").

In this way, third world capitalists hoped to develop local "infant industries" in the nursery of state protection from foreign competition and the local working class.

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The most extreme form of State intervention in the third world was not, however, "developmentalism," but state-capitalism. State-capitalism exists where a nation-state assumes full control of local industries through extensive nationalisation in order to develop these industries according to a central plan. The overall effect is the integration of all sectors of the capitalist class into a single group based within the State apparatus itself and the integration of all local industry – and sometimes a substantial part of agriculture as well - into a single state-capitalist trust or corporation.

State-capitalism, disguised as "socialism" or "communism" was pioneered in the Soviet Union but came to be adopted by a host of other underdeveloped countries from the 1940s onwards. Typically, it emerged in the least developed countries for the simple reason that the extreme level of underdevelopment required equally extreme industrialisation programmes to catch-up with the more developed countries.

South Africa under segregation and apartheid was an example of "developmentalism," albeit one with a racialised character.

From the 1920s onwards, government set up state companies – the first were ESKOM and ISCOR in the 1920s, with more set up in the 1940s, 1950s and 1960s such as FOSKOR, SASOL, SAA, and ARMSCOR - and began to control imports from the late 1920s. It intervened against black workers in order to provide cheap labour for the mines and farms, and, later, the factories. Certainly, black workers did not benefit from the large-scale industrialisation and economic growth that followed: wages on the mines, for example, remained at the level they had been in the 1910s until the 1970s.

By the late 1960s, the picture began to change. Across the world, the capitalist system began to enter a crisis. This affected *all* forms of capitalism.

Companies in the West found that they produced much more than they could sell. This also meant that it was pointless to invest additional monies in traditionally profitable sectors because this would only worsen the problem of over-production. Many began to go bankrupt or lose money.

This was the start of a massive capitalist economic crisis – sometimes called the "crisis of overaccumulation" – that began in earnest in 1973 internationally. Former colonial countries found that markets for their exports – which consisted mainly of raw materials began to dry up - leading to a growing debt crisis. The state-capitalist countries found themselves lagging behind technologically and with declining exports.

South Africa, too, was affected, and its economic growth began a long-term decline from which it has yet to recover. Currently economic growth rates in South Africa remain below 2%, down from over 6% in the 1960s.

## **FIGHTING PRIVATISATION IN SA - PAGE 49**

The new Vice-Chancellor, Norma Reid, is set to continue the Wits 2001 programme.

Whilst Reid spoke of the need to maintain the "independence of the university from commercial and political and economic interests" in her initial address at Wits, she went on to state that "this should not stop us from working with the business and commercial sectors in mutually advantageous schemes for wealth creation, commercial exploitation of intellectual property, and creating employment and prosperity in our city, region, country and the wider continent." These approaches "have been stunningly successful in British universities."

Further, she stated, "We must maintain and enhance Wits' excellent research record – by ... encouraging the private sector to invest in our world-class research, and in that which is industrially and commercially valuable and relevant, supporting our new research staff in developing the skills to survive in a cut-throat world."

And Reid assumes the reins at the moment that the new school and faculty structures are being consolidated. This means, in practice, that Reid will supervise the retrenchments of secretarial and administrative staff that will take place as the schools are rationalised.

### ***The new Wits***

Bundy had managed to crush – for now – the vision that drove left-wing student and union struggles in the early 1990s: the recreation of the university as a "liberated zone" which could help redress the legacy of the apartheid past. The militant local NEHAWU branch had been active alongside radical SASCO students, and radical socialists and anarchists, for most of the 1990s in struggles to "transform" Wits.

Although "transformation" was never fully spelt out, it did mean to the militants that Wits would be deracialised, would promote the interests of workers and poor students, would democratise its decision-making. Student militant expulsions and charges against union militants were beaten back by a wave of activism in 1993-1995.

Now, transformation had indeed come... only it was a neo-liberal form of transformation, a capitalist vision of transformation that was radically at odds with the older vision of transformation from below.

A new post-apartheid Wits administration, tactically astute, with the open blessing of the ANC government, combined with the virtual collapse of the student

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no longer have the right to study at Wits for free, as was the case in the past. Further, many supervisors in the new companies actively discourage unionisation.

The mighty Wits branch of NEHAWU - once a union stronghold in the tertiary education sector, and with Wits SASCO and the far left of the student movement, altogether a powerful challenge to Wits' management - is still reeling from the blow. Over half of its 800 members, including three shop stewards, were amongst those retrenched. NEHAWU has no real base in the new companies, and no negotiating rights.

Whilst NEHAWU has taken the matter to the courts –having failed to come to any agreement with the management, the matter is now a dispute that is heading for the Labour Court - but a hearing is unlikely before 2002.

### ***From Bundy to Reid via academic downsizing***

No wonder Bundy was pleased with himself! Bundy's "success" was crowned with his resignation from Wits and his departure for the University of London in 2001.

But before he left, Bundy was able to oversee the subsequent process of academic restructuring. With the formation of the new schools and the rationalisation of faculties - and the closure of unprofitable courses - an estimated 52 academic jobs were on the line.

By the end of 2000, these jobs were lost: mainly through freezes on posts, early retirements and the phasing out of non-profitable disciplines.

At the same time, new forms of managerial control over academics were implemented.

Since 1999, power had shifted from traditional forums of academic representation – the Senate, the various committees in faculties, the departments, and, to some extent, the Council - to a new set of parallel structures. Council was sidelined by the Strategic Executive Team, Senate by the Academic Restructuring Review Committee, the Faculties by the Academic Planning and Restructuring Committees, and departments by the schools.

The new Faculties would themselves be run by new "executive Deans" who would earn corporate-level salaries of up to R500 000 a year, and apply business management styles. With the linking of academic salaries to performance in 2001 – teaching, research and income generation - the basis was laid for fierce competition *between* academics and a new culture of profiteering, as opposed to collegiality and intellectually-driven research.

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Although the capitalist classes were initially confused about how to resolve the crisis of overaccumulation, more and more decided that neo-liberalism provided a way forward.

Margaret Thatcher's government in Britain (1979) and Ronald Reagan's government in the USA (1980) were trendsetters. Their success in defeating unions, opening the public sector up for investment, and slashing social services encouraged more and more capitalist ruling classes to opt for neo-liberalism.

These policies were adopted across the third world in the 1980s, in the former east bloc of state-capitalism in the 1990s, and in the more developed areas of East Asia in the second half of the 1990s.

What this meant in practice was that State policies around the world changed, and that governments - whether wearing the labels of "democracy," "socialism," "nationalism" or "self-determination" - began to implement very similar policies, marking the start of a new phase in world history.

When one looks more closely at neo-liberal policies, it is quite clear why capitalists around the world are so determined to implement the neo-liberal agenda.

*Neo-liberalism cuts government spending.* This means fewer taxes on the big companies and on rich individuals. It also means that the poor who depend on social services for a living now have to find a job ... any job at any price. This provides a pool of cheap, desperate workers who will accept any wages and working conditions. And, finally, it means that money capital in the banks is more easily available to capitalists who wish to use it to invest in new markets or to speculate on the stock markets or to build office parks and shopping malls.

*Neo-liberalism sells off state companies to the private sector, and opens up utilities for profit.* The existence of a large state sector of the economy meant that capitalists in many countries were cut off from profitable activities such as electricity, telecommunications, air travel, and water. With the sale of state companies, and the contracting out of utilities such as water and refuse collection, capitalists who have exhausted other avenues for profiteering through overaccumulation can now open up new markets with large numbers of consumers. In the case of the former state-capitalist countries, whole countries from which foreign companies were excluded are now open as "emerging markets."

*Neo-liberalism's free trade policies open up new markets for the biggest companies.* Countries that were previously closed off due to "developmentalist" policies are now ripe for the picking. So, for instance, large US companies that were unable to enter large sectors of the Mexican economy can now enter with ease

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and make a financial killing. In an era of overaccumulation, the capitalist classes of the world are in fierce competition, and can use free trade to destroy weaker rivals and to bash their own domestic working classes through cheap imports and relocation to cheap third world labour forces.

*Labour market flexibility divides workers into casuals and permanents and into workers employed by different subcontracting companies.* The effect of this is to undermine workers' solidarity. This restructuring of class relations aims at instituting permanent divisions amongst workers, allowing lower wages and stronger managerial control in the workplace. Workers produce all profit for the employers, so the lower the wages, and the worse the working conditions, the more demoralised and disunited the working class, the more profit that goes into capitalist pockets.

For anarchists, then, neo-liberalism is not simply an intellectual fad mistakenly adopted by otherwise sympathetic governments or politicians, nor is neo-liberalism the property of conservative parties only. Equally, neo-liberalism does not represent a "sell-out" by otherwise decent politicians. Neo-liberalism is no more a moral problem than the result of bad advice.

Neo-liberalism is a new phase of capitalism, equivalent to the phase of monopoly-capitalism (what some call "imperialism") that began in the 1880s and lasted until the 1960s.

Further, neo-liberalism is a policy of *class war from above* by capital, enforced and implemented by the capitalist state and the mainstream political parties that are its agencies. It is a battle plan by the capitalist class to smash the working class, increase profit by increasing the exploitation of the working class and extend profit-making into social services and the former state sector.

Knowing this, we must not make the ludicrous strategic blunders of calling for votes for "left" parties, trying to found so-called "workers' parties" that will – at best – be ignored by capitalists or – at worst – become tools in the hands of the capitalist class. Nor must we vote for the "lesser evil" of apparently "progressive" parties. It will make no difference who gets elected ... except insofar as elections will confuse and demoralise working class militants.

Direct action, assuming diverse forms across a range of social fronts, whether in the community, in the workplace, or in the schools and universities, *is the only way to disrupt the neo-liberal agenda for now.* This is the *immediate* task: forcibly halting neo-liberalism.

As we become better organised, more experienced, and more powerful, we can begin to be in a position to crush neo-liberalism and the class interests it

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A detailed document, *The Wits Support Services Review: a critique*, was produced and presented to a special session of Council.

The "concerned academics" argued that the Support Services Review was biased, ill informed and anti-worker in content. The critique also charged that the effect of the restructuring would be to entrench the inequalities inherited from apartheid, with black and women workers the main victims of the proposed restructuring

Only one "concerned academic" was allowed into the special Council meeting – and then shooed out after presenting the bare bones of the *Critique*. The consultants were given the floor to caricature the report, and Council voted to reaffirm the February decision.

Saki Macozoma, a member of the ANC National Executive Committee, and then head of the state company, played a central role in rallying the Council to reaffirm the retrenchments. For Macozoma, who implemented over 10 000 retrenchments as part of the process of preparing Transnet for privatisation, 613 jobs, 613 families, were small fry.

On 30 June 2000, the retrenchments went ahead.

### ***Blood on the shop floor: after the Wits retrenchments***

613 workers were retrenched. 613 families disrupted and impoverished further for the benefit of the rich.

In a communiqué to staff at the time, Bundy downplayed the havoc that this caused and the pain it caused for 613 families. At least 250 workers, Bundy wrote, were re-employed by the new outsourcing companies hired by Wits to replace the closed departments.

Bundy did not disclose what happened to the *other* 350 people, who were left jobless, and without any real prospects of getting a new job, given the mass unemployment that ravages working class communities in today's South Africa. Severance packages of several thousand of Rands may seem generous at first glance but do not last long.

And within the new companies, which included Supercare and Fedics at the time, workers' wages were halved from Wits' levels, and benefits slashed. A worker in one of Wits' retail outlets, for example, now earns about R1200 a month - down from more than R3000 - and with no benefits. In 2001, wages in the main Senate House canteen were cut back even further, to R1000. In addition, workers have lost access to medical aid and pension and loan schemes, and their children

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Why did most academics go along with management? For some academics at least, the reason was simple: fearful obedience to authority. Afraid of jeopardising their jobs and careers in the midst of a period of restructuring, many simply kept quiet. Others hoped to win some gains through Wits 2001.

### **“The right to life is not given - it is taken”**

The anarchist militant Severino DiGiovanni once stated the plain truth: “the right to life is not given – it is taken.” In a capitalist world, all that the working class has, all that we have won, every shred of dignity and every right and every advance, is the product of struggle and sacrifice against the capitalists.

This phrase describes the best of the Wits struggle that followed.

In the course of February 25, a large student protest had demonstrated against the proposal of Council to outsource the support services staff. After the crowd dispersed, a few comrades kept a vigil during the Council meeting, awaiting news of the decision, knowing that the next four months would be critical. And they were.

Whilst ASAWU and other small staff associations at Wits buckled and bent in the face of management pressure, and encouraged affected workers' to sign up for Bundy's “generous” retrenchment packages, NEHAWU stood firm to the end. It never signed on for the University's “social plan” and picketed daily for four months.

An international campaign of support – in which anarchist trade unions were particularly prominent - was also launched, and Bundy's e-mail was disabled with protest letters.

Faced with Bundy's refusal to renegotiate on the key issues, student militants fought to support the workers. The Lesedi Socialist Study Group – a broad left including both anarchists and Marxists - held two mass rallies of over 150 people each. SASCO held further marches in June, and occupied Bundy's office on the 20 June, along with the Postgraduate Association and the Students Representative Council.

For SASCO militants, this was an uphill battle, sabotaged by its national leadership, and hampered by the increasingly apathetic and non-working class nature of the student population. Meetings in the residences, continual media work, and dedication, all helped build the campaign.

A small group of “concerned academics,” mainly in Sociology, came out against the Wits 2001 plan publicly, and sought to win other academics to their side.

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represents, and *replace* it with something that serves the interests of the global working class and peasantry.

### **The class character of the ANC before 1994**

From an anarchist perspective, the incorporation of the ANC into the South African capitalist class is an event of momentous significance. This co-optation is not, however, a surprise.

Despite the romantic legends that have come to surround the ANC, and its black green-and-gold flag, the ANC has never been an anti-capitalist party, or an organisation that was owned by, and fundamentally orientated to, the needs of the working class.

When, in 1955, the ANC adopted the Freedom Charter, a document that does include some radical language, and a call for the nationalisation of the “commanding heights” of the economy, the ANC was quick to make it clear that this did *not* imply that the ANC was anti-capitalist.

Mandela, writing in 1956, for example, stated that the nationalisation clauses were aimed simply at opening up “fresh fields for the development of a prosperous non-European bourgeois class” who will for the “first time ... have the opportunity to own in their own name and right, mines and factories, and trade and private enterprise will boom and flourish as never before.”

In other words, Mandela understood these “radical” clauses as no more than a “developmentalist” programme for the marginalised African elite, rather than a building block for socialism. What this statement points to is the class character of the ANC. The ANC was, historically, a party founded and led by black professionals and small businessmen, frustrated at the way racial discrimination frustrated their development into proper capitalists and full-fledged members of the capitalist class.

Apartheid was so extreme in its oppression of black people that even the black elite did not escape unscathed. It was unable to grow and prosper like its white counterparts. Banned from land ownership, banned from the central business districts of the cities, unable to access capital from the banks or the state, the black elite rebelled.

Founded in 1912, the ANC spent decades in the political wilderness, tinkering with delegations to the British crown, “buy-black” business schemes, alliances with white liberals, and large rallies that achieved nothing.

By the 1940s, the ANC had reached a dead-end. Influenced by members of the student-based ANC Youth League, and the Communist Party of South Africa,

## **FIGHTING PRIVATISATION IN SA - PAGE 20**

the ANC finally embarked on mass protest as a way to achieve its aims: a non-racial, but capitalist, South Africa.

In doing so, the ANC had to reach out to black workers, and shed the image of being a party of intellectuals. Without the support of the black working class, the ANC's class agenda could never be implemented; without a more radical programme that could appeal to the black working class, this support would never develop.

Hence, the ANC championed a range of progressive demands and led a number of struggles in the 1950s and, again, in the 1980s. But the party was always at pains to make sure that the struggles did not develop an anti-capitalist component, or place the black working class in a leading role, or let the organisation fall into the hands of anti-capitalist workers. .

The mere fact that the ANC developed mass black working class support does not therefore mean that the ANC is - or was - a working class movement or a "workers' party." All capitalist and middle class parties have to develop *some* working class support because their social base is too small to allow them to be taken seriously. But this support does not mean that these parties represent working class interests.

Instead, the ANC was a nationalist party that, initially, held that all black South Africans – regardless of class - had to unite for a vaguely defined democracy. Later it argued for the unity of all South African "democrats" regardless of race; the effect was still to hide the class agenda of the ANC under the rubric of the "national unity" of "the people."

### ***The class character of apartheid***

As part of its defence of capitalism, the ANC was always careful to blame the apartheid system on the "boers." This liberal approach, which treats the apartheid system as the product of some peculiar national flaw inherent in the Afrikaners, is nothing but an alibi for the capitalist class.

The core features of apartheid – residential and social segregation, workplace discrimination, the suppression of black trade union activity, the homeland system, migrant labour – were all in place nearly 60 years *before* the Afrikaner nationalist movement won the 1948 elections.

Rigorous residential segregation was introduced during the British occupation after the Anglo-Boer War, whilst the pass laws, migrant labour and the homeland system were developed in the 1880s by the (mainly English) mine-owners in the wake of the discovery of diamonds (1867) and gold (1886).

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### ***"No pain without gain"***

On the night of February 25 2000, the Council of the University voted in favour of the Support Service Review's recommendation that outsourcing take place, voting to dismiss 620 workers - mainly black and blue collar - by June 30, and replace them with cheap, contract workers brought in by outsourcing companies.

The departments in which these workers had worked for years – catering, cleaning, grounds, and maintenance – would be outsourced. (Transport had a last minute reprieve when it was discovered that the University management Associates sloppy research – and therefore recommendations – were grossly inaccurate).

Student and NEHAWU representatives on the Council opposed the decision. One academic representative, Eddie Webster, a committed pro-labour researcher and head of the Sociology of Work Unit (SWOP), also opposed the decision.

But on a Council overwhelmingly dominated by management, big business, and capitalist state representatives, they were easily outvoted.

The representatives of the small academic staff union, the conservative Academic Staff Association of Witwatersrand University (ASAWU), were less principled. Grovelling before management, ASAWU had already publicly disgraced itself by supporting the IGP and the proposed outsourcing.

Its leaders massaged their conscience with the thought that it had called for a larger severance package for the retrenched workers! The statutory requirement was that workers be paid out a week's wages per year worked: Wits eventually offered three weeks pay per year worked. And ASAWU took credit for this.

But this was not the issue! ASAWU should have had some basic workers' solidarity with NEHAWU. But it did not. It did not organise solidarity rallies, statements, even a petition of support. Instead, it washed its hands of the whole affair, surely aware that once the monies in the severance packages ran out, workers would be left destitute and almost certainly unemployed: job opportunities for manual and menial workers are few and far between in neo-liberal South Africa.

Other academics publicly supported the restructuring in the *Mail and Guardian* as a case of "No Pain Without Gain." These sorts of views leave a sour taste in the mouth. After all, the immediate victims of Wits 2001 were not academics but labourers. It was very easy for these academics to make such lofty statements: after all, the pain was not theirs.

On Council that fateful night, ASAWU voted with management.

**Colin Bundy: former Marxist, now capitalist marksman**

Colin Bundy, the new university Vice-Chancellor, championed the Wits 2001 plan.

Bundy was a well-known and widely -respected Marxist academic who had written pioneering works on peasant and youth struggles, and who had immersed himself in the mass democratic movement of the 1980s.

In the 1990s, Bundy left the pursuits of his youth, and entered the top management of the University of the Western Cape, where he was involved in clampdowns on student and labour protests. When he was appointed to the top post at Wits, it was widely expected that he would champion a progressive transformation. As such, he was strongly supported by SASCO and NEHAWU.

Bundy soon showed his true colours, championing and promoting Wits 2001. Like the UMA consultants who spoke of the “career opportunities” offered by outsourcing, Bundy presented the retrenchments as a favour to workers.

According to Bundy, the process of support service restructuring had been “highly consultative” – this, despite NEHAWU’s repeated objections to the Wits 2001 plan. Furthermore, Bundy insisted, Wits was implementing “generous severance packages” and a “comprehensive social plan” to mitigate the “impact on affected staff.” The plan consisted, in the main, of offering psychological counselling to retrenched workers, to help them cope with the future.

Of course, Bundy, who earned R59 000 per month in addition to numerous perks, was not actually on the receiving end of this “generosity.” This made it easy for him to dismiss the concerns of workers and to describe the restructuring as a case of “no gain without pain.” The pain, after all, was not his.

But Bundy’s turnabout is not unusual. A large section of the new political and managerial elite, like Bundy, has impeccable “struggle credentials” from the 1980s and strong ANC connections. An ANC member, Bundy’s evolution towards neo-liberalism is hardly as shocking as it seems.

His turnaround was no different from the role played by his counterparts such as Mamphela Ramphele (Steve Biko’s widow), at the University of Cape Town (now employed by imperialist World Bank), or the ANC’s Mapule Ramashala at the University of Durban-Westville (who called in the police who murdered Masophe Makhabane).

These measures, called “segregation” before 1948, were developed as a means of creating a vast supply of cheap, black, migrant labour to feed the mines, factories and farms of the South African capitalist class. They were also designed to prevent intermarriage and joint worker action by workers of different races, a real possibility in the early period of industrialisation.

In other words, the system of segregation/apartheid was created by *capitalism*, and played a central role in capitalist development in South Africa. The state officials and capitalists of the time were quite explicit about these aims.

Hence, the main features of apartheid cannot be blamed on the Afrikaner nationalist movement as such, although this movement gladly embraced and defended these policies.

Afrikaner nationalism was a right-wing reaction against both British imperialism and the rise of labour militancy amongst white workers, and it was funded and led by Afrikaner capitalists based in companies such as SANLAM, Volkskas and Rembrandt whose ambitions were frustrated by the dominance of the English capitalist faction, linked to the British Empire (such as Anglo-American). It supported apartheid. But it did not invent it.

However the ANC has always refused to see any sort of strategic link between the struggle against capitalism and the struggle for national liberation... *precisely* because the class agenda of the party was to deracialise capitalism. So the ANC parroted the ridiculous white liberal argument that apartheid was an economically irrational system that was being *forced* on a reluctant capitalism for ideological reasons.

The ANC’s failure to draw anti-capitalist *political* conclusions about the social system in South Africa *reflected* the class interests championed by the ANC, the class interests of the frustrated black elite who did not oppose capitalism or exploitation but wanted more black faces at the capitalist banquet table.

These seats were not, however, offered until the 1980s; the ANC, like its smaller, but essentially similar, rivals such as the PAC (Pan-Africanist Congress), was banned between 1960 and 1990.

Even in the 1980s, when the apartheid/capitalist link was being widely discussed in the mass democratic movement, the ANC took care to throttle the development of an independent, anti-capitalist, working class movement.

The independent black trade union movement in South Africa after the 1973 Durban strikes – a movement not controlled by the ANC until the mid-1980s with the formation of the Congress of South African Trade Unions, or COSATU - was denigrated and dismissed by the ANC until the early 1980s.

Arguing that apartheid was a form of “fascism” (a revised version of the argument that apartheid was invented in 1948) the ANC-in-exile claimed that these

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unions were “agents of apartheid.” After all, the ANC-in-exile claimed, no black trade unions could exist under “fascism” and therefore the new unions *must* be licensed by the regime for its own purposes. The only real trade union, it was claimed, was the SA Congress of Trade Unions (SACTU), consisting of a small group of exiles in London, remnant of the ANC-controlled union movement of the 1950s.

In the early 1980s, the ANC changed tack as it became clear that its hostility to the new unions was counter-productive. The ANC then launched a vitriolic political attack against the “workerists” in the independent trade unions, a diverse bloc that was united by its suspicion of ANC “populism” – by which they meant the ANC’s commitment to a cross-class alliance of all “democrats” – and “petty bourgeois” character – by which they meant the ANC was a party of the black middle class which could easily turn on workers after joining the government.

The ANC– with the help of its ally, the SA Communist Party (SACP) – labelled the workerists “economistic,” “ultra-leftist,” and even “syndicalists” – i.e. anarchists. Both the ANC and the SACP also argued that the immediate “revolution” in South Africa was not against capitalism but against apartheid, and that therefore the struggle should aim only at helping the ANC get into government to serve “the people.” At the same time, the ANC made sure that power in the organisation in the 1980s and 1990s lay with the exile leadership in London and Lusaka, and never passed to the black working class.

### ***Background to the reform period of 1990-1994: neo-apartheid and neo-liberalism***

By the mid-1980s, a massive surge of black working class struggle – by the youth and students in the townships, schools and universities, by the independent trade unions in the workplaces, and by a range of community structures - had made it clear that the days of the apartheid system were numbered.

The reformist wing of the capitalist class - “verligte” Afrikaans capitalists and liberal English big business – were willing to make significant concessions to the black majority in return for political and social stability. In 1978, the reformist wing had engineered the removal of the conservative Connie Mulder from the National Party, and put in his place a moderate with military connections, P.W. Botha. Botha then became Prime Minister (and under the revised 1984 constitution, executive President).

Botha aimed to preserve the essential features of apartheid while allowing blacks to have a greater degree of political and workplace representation, and to win the black middle class over to the apartheid regime. One feature of this early reform

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The Task Group reported to management in September 1999, recommending the rationalisation and merger of faculties and departments, (from 9 to 4, and 90 to 40, respectively) and noted that this had “staffing implications.” In 2000, it was announced that 52 academic posts would be affected.

The recommendations were adopted, and taken forward by a new Academic Restructuring Review Committee, which was charged with implementing the rationalisation over the next three years, with potential academic retrenchments set for the second half of 2000. *Academic Planning and Restructuring Committees* (APRCs), set up at faculty level, would propose measures for implementing the restructuring, whilst the new executive deans would oversee the process.

All of these Committees would report to the executive management team, the Strategic Executive Team

In the meantime, the *University Management Consultants* (UMA) undertook a Support Services Review. Its final report argued in no uncertain terms for outsourcing the cleaning, catering, grounds, maintenance, and transport divisions. This disgraceful report claimed that workers would *benefit* from being outsourced through “greater career opportunities, training and accreditation” and a “degree of employment stability.”

These two processes – academic and support service restructuring – were to be co-ordinated as the “WITS 2001” programme by a management task team – the Change Management Team, - set up in October 1999.

It made sense: money saved at the expense of support service staff (initially estimated at R30 million over five years) could be used to fund management and the potentially profitable “core” activities of research and teaching.

These “core” activities would be restructured by the rationalisation of faculties and departments. Departments with low student numbers – such as religious studies - were regarded as non-viable and thus closed down. In the new schools – as the merged departments were known - academic job security would be tied directly to student numbers and income generation activities, rather than to the quality of critical social research.

Academic salaries would also be tied to market criteria: more “performance” (in line with Wits 2001’s objectives) would lead to higher pay increases, and high value academics would receive (secret) “market-related” individual pay rises.

At the same time, the consolidation of faculties and departments would centralise management control. Each Faculty would henceforth operate as far as possible as a self-financing entity: in neo-liberal language, a “cost-centre” that would generate its own income, rather than rely on subsidies from other faculties, as had been the case in the past.

## **WITS 2001 - MAKING THE WORKING CLASS PAY**

The campus most recently affected was the prestigious University of the Witwatersrand (Wits) in Johannesburg. Along with UCT, Wits is the most highly rated university in the country. With 18 000 students and 2800 staff, it is also one of the largest.

Little of this glory filtered down to the support service workers on campus. NEHAWU was only recognised on the campus in the 1990s, whilst in 1995 management sought to prosecute three shop-stewards (and a one student militant) for "kidnapping " after they occupied a disciplinary hearing. This was defeated, but the level of hostility between the management, on the one hand, and militant workers and students, on the other, in the 1990s was profound.

However, worse was to come.

In 1999, the Wits management began to embark on a programme of neo-liberal restructuring. In 1999, a *Strategic Plan* was issued which argued that Wits needed to reposition itself as a market university that would be more cost-conscious, would compete with other universities, and more profit-oriented.

The *Strategic Plan* called for the "formation of a University company for optimisation of revenue opportunities from intellectual property and from entrepreneurial activities," the promotion of "revenue-generating activities" and "opportunities for entrepreneurial approaches across the University."

Faced with declining state funding – an estimated 30% between 1995 and 2000 - and a decline in the number of "fee-paying" students, Wits would generate its own income from new forms of income generation.

A first step in this direction was taken with the 1999 launch of an Income Generation Programme (IGP), endorsed by the right-wing academics union, the Academic Staff Association of Wits University (ASAWU) and sponsored by giant companies such as Goldfields. This was described by a management representative as a step towards redefining Wits as an "enterprising university" or "business university."

A team of consultants, the University Management Associates, was then hired for R4,5 million to investigate options for support service restructuring. At the same time, a Task Group on Restructuring investigated academic restructuring.

period was the lifting of the pass laws in 1987; another was the legalisation of black trade unions in 1979; a third feature was the removal of petty social segregation in public facilities; a fourth was the creation of Indian and Coloured houses of parliament.

These "neo-apartheid" reforms would be backed by a show of force by the State and a concerted repression of elements opposed to this racist settlement; this included the ANC, but even more radical opposition came from COSATU, formed in 1985, and the anti-apartheid coalition, the United Democratic Front or UDF, formed in 1983.

Both COSATU and the UDF were, at the time, to the left of the ANC, with UDF spokesman Murphy Morobe calling for the replacement of the parliamentary system with grassroots democratic control of schools, communities and workplaces, and COSATU openly espousing socialism.

### ***Neo-liberalism under Botha***

One basic reason for the failure of neo-apartheid was that Botha was unable to win substantial support from black people – including the black middle class - for his programme. Politically, he was resoundingly defeated by the UDF and COSATU.

The second reason for his failure was a contradiction at the heart of his programme. Whilst aiming, on the one hand, to "win the hearts and minds" of black communities and black workers, Botha sought, on the other hand, to implement an early *neo-liberal* programme. This was a fundamental break with the developmentalism of earlier National Party governments.

Botha began by setting up a series of commissions to investigate key areas of economic policy:

- \* The Reynders commission on trade (this recommended free trade)
- \* The De Kock and Kleu commission (which advocated the deregulation of the currency and capital markets)
- \* The De Lange Commission (this recommended education reforms that would prepare the country for global competition)
- \* The *White Paper on Privatisation and Deregulation in the Republic of South Africa* (which advocated the wholesale privatisation of state companies)

The aim of these commissions was to act as think tanks that could elaborate the broad outlines of a neo-liberal approach to a range of government policies.

Policy units directly funded by big business, such as the Urban Foundation, also helped develop new policies. Set up in the aftermath of the 1976 Soweto rising, the Urban Foundation was sponsored by Anglo-American and aimed at solving the township housing crisis by drawing in the banks and private developers.

The overall thinking of the Botha regime on economic and social policies was clearly expressed by the Kleu Commission. According to its report, economic growth should now take place "within the framework of a system in which freedom of enterprise, consumer's freedom of choice and private ownership play a fundamental part."

Botha began to act on these recommendations. He removed apartheid controls on the labour market (for example, removing job reservation), deregulated interest rates (for the banks), cut government spending on services (for example, school fees were introduced in white schools in the early 1980s), cut tax on the rich (general sales tax, or GST, increasingly replaced company taxes as a source of government income), and privatised ISCOR in 1989.

All of this required a fundamental change in the nature of the ruling National Party. Since 1948, the National Party had been based on Afrikaans-owned business, with the political support of white workers and vulnerable sections of the white middle class and smaller farmers. It had also been centred on the Transvaal.

The new National Party of Botha abandoned the white working class, lower middle class and smaller farmers, by removing job reservation and cutting welfare, and based itself firmly on big business (both Afrikaans and English), and on prosperous white middle-class liberals, and based itself in the Cape (where the biggest and oldest Afrikaans companies were based).

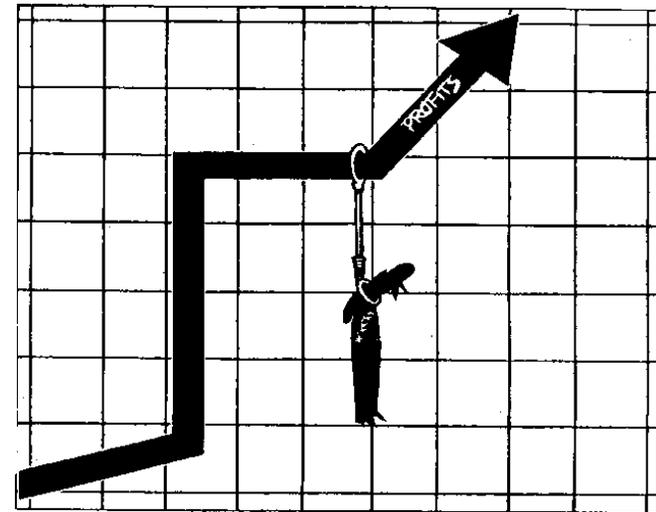
The vulnerable middle class, smaller farmers and most of the white working class then gravitated towards the fascist far right. This split was initially expressed in the form of a split within the National Party itself, when hardliners opposed to neo-apartheid reforms and elements of neo-liberalism launched the Conservative Party.

However, the Conservative Party, which became the official opposition in the white chamber of parliament, soon faced growing competition from extreme right paramilitary fascists groups, most notably the Afrikaner Weerstand Beweging (AWB).

Botha not only alienated white labour with his reforms, but also antagonised the black working class and black elite. For the black working class, neo-liberal reforms meant rising unemployment and poverty. For the black elite,

# **CHAPTER 6:**

## **WITS 2001 - Making the Working Class Pay**



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liberal restructuring has seen a rapid *rise* in management salaries and consultants' fees. Restructuring was therefore not simply about cost-cutting but about shifting the balance of power on campuses decisively towards management.

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incorporation into neo-apartheid was not simply degrading but failed to satisfy the basic class agenda of this layer: the aims of the black elite were *not* incorporation into desegregated swimming pools and universities, but inclusion in the *capitalist class* itself.

Attempts to develop the townships as part of the neo-apartheid reform process were also consistently undercut by neo-liberal restructuring. Neo-liberalism meant that money was not available from the central government for upgrading the townships, and so, desperate officials sought to raise the additional revenues for the newly established Black Local Authorities through a massive increase of up to 400% in rents and rates. This led directly to the Vaal rising of 1983 and provided the material basis for a wave of township-based resistance.

Attempts to deregulate the labour market and neutralise black trade unions by reforming the labour laws were equally bungled. The initial proposals for labour law reform antagonised the black working class, as government aimed to exclude migrant workers without proper urban residence rights from the ambit of the proposed deracialised collective bargaining system. At the same time, the labour reforms as a whole increased the confidence of black workers, and a wave of strikes and workplace actions made it difficult to develop a truly neo-apartheid workplace regime.

Attempts to privatise the state companies, and to introduce sales tax – notably VAT in 1991 - antagonised black opinion as well.

Privatisation was seen as an attempt to consolidate neo-apartheid by placing state companies firmly in the hands of unelected white businessmen. VAT was seen as an example of the insincerity of neo-apartheid: black people were not even consulted on this policy, which was therefore seen as an attempt to unilaterally impose reforms without even a pretence of equal rights and citizenship.

### ***Bringing the ANC on board***

By the mid-1980s, however, it was becoming increasingly clear to big business that Botha's combination of neo-apartheid and neo-liberalism was failing. If anything, it was raising the level of class struggle to a dangerous degree that could potentially threaten capitalism itself.

To save capitalism, to forestall the growing radicalism of organised labour and community organisations, capital had to give power so that it could retain power.

Covert meetings between state officials and business representatives and the ANC began in the mid-1980s. These meetings, and the reassurances of the

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ANC, made it clear that a negotiated solution was possible. Whilst the ANC unequivocally rejected neo-apartheid, it was at pains to assure the capitalist class that the capitalist system itself, at least, was under no danger.

The ANC was therefore - quite literally - an organisation with which you could “do business.” Although the ANC opposed racial privilege and white supremacy, it had no problem with capitalism. Those who tried to convince themselves that the ANC would open up a road to socialism or that the Freedom Charter was a socialist document – such as the SACP leadership - should have taken heed.

When formal, public negotiations were opened up in 1990 at CODESA, the terms of the negotiations did not include any substantive *economic* matters, but focussed, instead, on the form of the *State* with both the ANC and the National Party trying to shape the new constitution in such a way as to guarantee the interests of their respective factions of the capitalist class.

In objective terms the fundamental shape of the transition had *already* been set: capitalism would continue under the new government – which was almost certain to be led by the ANC – and big business would hence act as an *ally* of the ANC.

In return, the class agenda of the ANC would be implemented in the form of the creation of opportunities for the development of black capital, and in the form of an explicit recognition of the need to deracialise ownership patterns. And the ANC would undertake the neo-liberal reforms against the working class at which Botha had so dismally failed.

Having been unable to crush or co-opt the black working class, the capitalist class thus settled on an alliance with aspirant black business, represented by the ANC. The ANC, for its part, closed down the UDF and set up a Tripartite Alliance with COSATU and the SACP, in which the ANC was acknowledged leader.

White supremacy could be abandoned and the white working class left to the free market; the black working class, for its part, would be “managed” by the new government. All in order to save South African capitalism and to defend the neo-liberal agenda and the strategy for improvements in the rate of profit that it represented.

### ***The myth of the RDP***

It took a little longer for the ANC to be won to a fully neo-liberal position. Deeply influenced by “developmentalism,” many leading ANC officials continued to identify neo-liberalism with the neo-apartheid period. Nonetheless, the ANC lacked

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workforce into a number of different companies – one for cleaning, one for security etc. - makes it hard to unite workers in the different outsourcing companies with one another, as well as with support staff who remain in direct university employment. Outsourced workers are also removed from existing bargaining units on campuses, as they are, in the eyes of capitalist law, not even university workers. Instead, they are employees of the outsourcing companies.

Support service outsourcing serves several, closely related, functions for management:

- It cuts costs, thus helping offset the impact of government budget cuts
- It frees up money to be redirected towards more profitable “core” activities such as research and teaching
- It breaks unions and demoralises workers, thus creating an illusion of peace of campuses that attracts rich students whilst strengthening management power.

In short, outsourcing is not simply about cost cutting. It is also about *class power*. By breaking the organisation and will of the working class on campus, university managements are able to restructure class relations in a way that strengthens their power and creates enormous obstacles to a proletarian revolt on campus.

Also affected by these sorts of cost-cutting exercises were academics in less profitable disciplines, such as the Arts and Social Sciences. Whereas management, law, business, engineering and physical and biological sciences were more readily re-orientated towards the needs of the capitalist class, social research and art were not.

Hence, academics in these disciplines have also been retrenched at campuses such as University of Durban-Westville (which fired 37 in 2000), Vista and the University of South Africa (UNISA).

And outsourcing and retrenchments therefore serve another capitalist ruling class interest as well. The people who bear the pain of the budget cuts are not the rich, the top management, but we, the working class and sectors of the middle class.

Restructuring in higher education has a *class nature*: it is no accident at all that the victims of GEAR’s budget cutting are mainly working class, whilst, on the other hand, budget cuts do not even lead to wage reductions for campus managements.

Indeed, whilst workers have been retrenched in the interests of cost-cutting, the reorganisation of management structures that has accompanied neo -

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management; cleaning workers negotiate with the cleaning company; grounds maintenance workers negotiate with grounds maintenance company; catering workers negotiate with the catering company and so on.

Where there was one union branch, with one central bargaining unit, there are now several union branches, each with their own managements and own bargaining structures. The upshot is that the possibilities of united industrial action are greatly undermined.

### ***Retrenchments in higher education***

Since 1996, in particular, a tidal wave of retrenchments and outsourcing has washed over higher education. Nearly every single university has outsourced support service staff... or is in the process of doing so. Up to 20 out of the 23 tertiary education institutions have outsourced at least some support service functions, according to figures from the University of Cape Town management (UCT).

By the end of 1999, NEHAWU estimated that up to 4000 workers had been retrenched in the sector, and were threatening a general strike to stop the deluge. This never happened. In any case, NEHAWU has underestimated job losses: recent research indicates that the numbers of retrenchments were twice as high.

Let us take some examples. In September 1999, UCT fired 267 catering, cleaning and maintenance workers. The University of the Western Cape 420 workers had lost their jobs by 2000. The University of Fort Hare retrenched over 1200 by 1998. The majority of the affected workers have been African or Coloured; many are women; most are blue collar.

The relatively secure and well-paid jobs of support service staff have been closed in this way. The support services have then been contracted out - or outsourced - to low-wage, and largely non-union, private companies at a fraction of the price. Catering has been turned over to companies such as Fedics; cleaning to companies such as Supercare; and security to firms such as Stallion.

Although a number of the retrenched support service workers were re-employed by the outsourcing companies on these campuses, the wages and benefits that they received declined dramatically. Cleaners employed by Supercare Cleaning at UCT, for example, were reportedly earning R6.00 an hour – the sectoral minimum, as set by the wage determination for the contract cleaning sector - and lacked access to benefits such as a pension scheme or a medical aid.

As for unions, outsourced companies are almost entirely unorganised. Desperate workers are afraid to strike and unionise, whilst the fragmentation of the

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any concrete economic policies, wanted to appear reasonable, and, above all, wanted to join a capitalist class that was fundamentally committed to neo-liberalism.

By 1993, the ANC had begun to drop its commitment to a "mixed economy." Early in 1994, the confusion in ANC thinking was still evident. Prior to the April 1994 elections, the ANC Alliance, with the support of youth and community organisations, launched an election platform called the RDP, or the *Reconstruction and Development Programme*.

The RDP has since achieved a mythical status, with many in the labour movement remembering the RDP as – if not a socialist document – at least a document that was socially progressive and potentially laying the basis for a subsequent move to socialism.

It is true that the RDP called for substantial spending on a public works programme to rebuild shattered townships, put the unemployed to work, and stimulate the economy with new wages and a trained workforce. The RDP also called for improvements in the education system, one million new houses, and redistribution of 30% of the land.

Yet the same RDP called for fiscal discipline and the financing of the public works, education and housing programmes *within* a strict budget. It also advocated the gradual implementation of free trade and an orientation towards export production of manufactured goods for the global market. The land reform programme of the RDP was even written by the World Bank and advocated land reform through the market, with government's role confined to providing subsidies to aspirant black farmers.

The neo-liberal elements of the RDP were implemented by the ANC after the elections; the developmentalist projects, such as the public works programme, were not.

It is therefore wrong to talk about "the RDP" as if it was a programme that the ANC actually implemented. The RDP as a full-scale programme only existed on paper but was never implemented.

During 1994, the ANC's neo-liberal drift was becoming clear. The housing policy set up by Joe Slovo, Minister of Housing, and head of the SACP, was indistinguishable from the neo-liberal housing programmes set in place by the neo-apartheid regime in the 1980s and promoted by the Urban Foundation.

In 1995, the ANC issued the *RDP White Paper*, supposedly a blueprint for the implementation of the RDP. The *White Paper* instead represented a *consolidation* of the ANC's neo-liberal orientation. It was a neo-liberal document, through and through, supporting privatisation, budget cuts and free trade; meant to look at ways to concretely implement the RDP, the *White Paper* chose to concretise the RDP by stressing only its neo-liberal elements.

### **Grinding in the GEARS**

The ANC's drift towards neo-liberalism was further entrenched in 1996, when the party announced its' "new" macro-economic policy framework, the *Growth, Employment and Redistribution* strategy (GEAR). Thabo Mbeki, who joked at the GEAR press conference, "call me a Thatcherite," claimed that GEAR would create a 400 000 jobs a year by the year 2000, with 1,3 million jobs created by that time, would transform South Africa into one of the world's leading economies, and spend more on social services.

GEAR was openly and unashamedly neo-liberal. Its principle policy areas included:

*Restructuring the public sector:* the public sector had to be downsized through retrenchments; state companies had to be privatised wherever possible; and the state would focus only on basic infrastructure provision, such as building roads, streetlights and municipal offices.

*Strict limits on social welfare:* GEAR argued that social welfare spending had to be curbed where possible, and spending cut back as far as possible. In a slap in the face for workers and students, GEAR recommended "reductions in subsidisation" to higher education, and "greater private sector involvement" in the sector.

*"Regulated flexibility" in the labour market:* GEAR suggested that labour market flexibility was central to South Africa becoming globally competitive, and called for "regulated flexibility," exemptions from labour laws for certain businesses, and lower wages for new workers.

*An open economy:* GEAR called for free trade policies, and for the free movement of money and companies in and out of the economy.

It is therefore not surprising that ANC leaders announced to the public that GEAR was "non-negotiable." Embedded in GEAR were *precisely* the anti-worker policies that had spurred mass resistance to the apartheid regime in the 1980s.

And GEAR proved for once and for all that the ANC, despite its election promises in 1994 and 1995, had no intention whatsoever about implementing the more radical elements of the RDP.

The ANC had become what it had always wanted to be: a party of big business, a party that placed black business at the capitalist banquet table. It had

One of the main demands of the mass democratic movement in the 1980s was for the eradication of historic inequalities between black and white universities. Under neo-liberalism, however, these divisions have become entrenched and deepened.

It has, in practice, been the better resourced historically white universities that have succeeded in implementing the vision of a "market university."

The poorer, historically black universities have been driven to the brink of bankruptcy by the budget cuts and a substantial decline in student enrolments (itself reflecting the enormous impoverishment of the black working class). Government's response to this crisis has, however, been to develop the 1999 *Size and Shape* document, which essentially advocates the closure of bankrupt institutions, or their merger into their wealthier counterparts.

### **University management strategy: outsourcing workers, downsizing unions**

Despite these differences, both sets of institutions – the historically advantaged and the historically disadvantaged - have adopted remarkably similar policies with regards to support service staff. Since 1997, support service staff, whether cleaners, security guards, building maintenance workers, gardeners, or caterers, have been placed in the firing line.

Disparaged as "non-core" and irrelevant staff, support service workers have become the first line of attack for university management aiming at repositioning the institutions for prosperity (in the case of the emerging market universities) or mere survival (in the case of many historically black universities) in the neo-liberal epoch.

The easiest way to drive down the cost of support service workers – and the route most easily followed in terms of the ANC's labour laws – has been to retrench support service workers, and then outsource these departments to outside companies.

One advantage of this strategy is that the outsourcing companies pay workers far less money than a university (typically half the salary, minus benefits such as medical aid, pension funds, loan schemes, or bursaries for children) and are thus a cheaper option.

Further, these companies actively discourage trade unionism. Where unions *do* emerge, workers' solidarity is difficult to achieve. Not only are the workers fearful for their jobs, with most being employed on a casual basis, but also collective bargaining is broken up. University employees negotiate with university

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excluded from access to higher education, as they lack the money to meet the demands of strict “cost recovery” policies.

*The universities and technikons would be pressurised to run themselves or business lines.* Rather than being seen as a public service – something higher education in South Africa never was but *could* have become – the institutions would reinvent themselves as market-driven centres of profit making. Research and education would aim primarily at earning profits.

In practice, this meant that scientific, legal and managerial knowledge, research and training would be openly directed towards the needs of the class that could pay the most: the capitalist ruling class that controlled big business and the state machinery. The new model was a “market university,” or an “entrepreneurial university” that would compete globally to raise profits.

The notion of objective scientific research, and of critical social enquiry was jettisoned: the rich would now dictate research and course content. Abstract, pure, research itself came under direct attack from a baying chorus complaining of its “irrelevance”:

Yet this begs the question: “irrelevant to who?” We Anarchists *defend* pure scientific research – research for its own sake that opens and examines areas of knowledge whose immediate applicability is not always clear for two simple reasons. Firstly, it is important that we as human beings understand the universe and the biosphere. Secondly, pure research eventually opens up new technological possibilities that can improve the quality of life in a humane society: although these discoveries are often used against the working class under capitalism, they will be important for the development of a civilised, prosperous and poverty-free libertarian communism.

Capitalists, however, are not anarchists, and now see fit to close off important research for the most disgraceful of reasons: it doesn’t make enough money for the rich. Hence, the capitalist class has championed so-called “mode 2” – “applied” research - as opposed to “mode 1” – pure scientific enquiry - in order to get richer, no matter the cost to the human species.

### **“Size and Shape”: a rationale for closing black universities**

The application of neo-liberal policies to higher education has reproduced the historical inequalities in the sector.

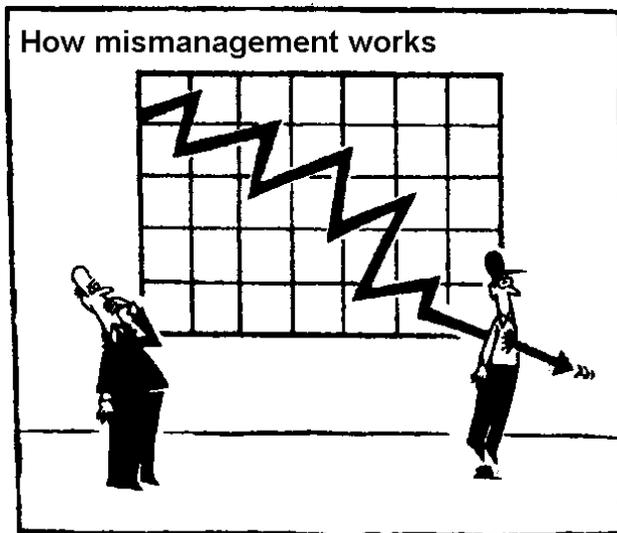
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transformed itself from a nationalist party based on the middle class and small black capital, into a fully-fledged bourgeois-nationalist party.

As anarchists, we draw the obvious conclusion: the ANC is part of the capitalist system and it is an enemy of the working class. Before 1994, anarchists could still critically support the ANC’s broad goals of instituting parliamentary democracy, insofar as this would be a partial victory for the working class against national oppression, whilst still recognising the limits of the ANC. But after 1994 there is no reason whatsoever to give the ANC any support at all.

# CHAPTER 4:

## *Black Nationalism against Black Workers*



## **GEAR AND THE PRIVATISATION OF HIGHER EDUCATION**

One of the sectors affected by the neo-liberal agenda of the South African capitalist ruling class is higher education: the "public sector" universities and technikons.

As stated above, GEAR explicitly called for cuts in funding to the universities and technikons, and for "greater private sector involvement" in the sector. This was a recipe for the partial privatisation of state sector higher education.

The ANC also established a National Commission on Higher Education (NICHE). When NICHE reported in 1997, its recommendations came straight out of GEAR. NICHE endorsed "applied" education – "applied" to the needs of the capitalist state and big business - and advocated closer networking between the universities, big business and the state.

Although these policies ruffled feathers in the two key ANC allies in the sector - the South African Students Congress (SASCO) and the National Education, Health and Allied Workers (NEHAWU), a COSATU affiliate – neither structure acted decisively against the ANC.

Although the obvious victims of this policy of partially privatising higher education were self-evidently workers, working class students and ordinary academics, and despite the historic commitment of both structures to a progressive transformation of the sector, the ANC was able to push ahead with its neo-liberal programme for higher education.

What did GEAR and the NICHE report mean in practice? They meant that

*Less money would go towards higher education.* In the Budget for the 1997-1998 fiscal year, higher education institutions received an allocation of R5,4 billion, representing an average funding level of 65,6%. This was down from the 68% subsidy of the previous year.

This meant that the institutions would be under pressure to raise money by doing contract work for the capitalist state and big business, and through competing amongst themselves for fee-paying, middle class and bourgeois students. Furthermore, it implied that tuition fees would continually increase. In this scheme of things, poor and working class students lacking money would be systematically

## CHAPTER 5:

# ***GEAR and the Privatisation of Higher Education***



## **BLACK NATIONALISM AGAINST BLACK WORKERS**

A second political conclusion to be drawn is that nationalist politics, championed by the ANC, serve to *politically cripple* the working class, as appeals to national sentiment and solidarity are continually – in fact, increasingly – used to silence working class criticism and suppress working class independence.

Before 1994, nationalism was used to prevent the emergence of an anti-capitalist workers' movement. After 1994, ANC nationalism is used to silence dissent from the unions and poor communities, by raising the absurd spectre of a return to power by the National Party and white supremacy. This spectre is raised, in particular, within the Alliance, where workers are told without a hint of shame that they must vote to defend the ANC *against* the neo-liberal agenda.

Therefore, under the disguise of black economic empowerment, the ANC proceeds to systematically *disempower* black workers by demobilising our organisations and attacking living and working conditions.

While we can *defend* nationalists from repression in a situation of political repression or national oppression, insofar as the *general* anarchist principles of anti-authoritarianism make it impossible for us to condone State repression or national oppression, and insofar as we recognise the *right* of people to join a nationalist party and even to form a national state *if they wish*, we can never politically *support* nationalism - and never a nationalism in power.

The task of anarchists in national liberation struggles is thus to pose a revolutionary and internationalist *alternative* solution to national oppression. Anarchists must be the most consistent and bravest fighters against national oppression, but always fight for anarchist principles and tactics. These include internationalism, class struggle and direct action, and the aim of free or libertarian communism.

This means that anarchists in national liberation struggles must strive to develop these struggles towards the formation of a *confederation of worker and community councils* based on social and economic equality, and forged through class war, as part of an international struggle *against* capitalism *and* the international state system, and *for* libertarian communism, rather than an "independent national government" led by the local elite and based on the suppression of the local working class.

***GEAR and the Tripartite Alliance***

Within the ANC, channels for dissent against GEAR and the neo-liberal orientation it represented were closed down one by one, as power was centralised in the leadership, and a personality cult developed around Nelson Mandela - and later Thabo Mbeki - a cult that discouraged open debate. Neo-liberalism goes hand-in-hand with political repression.

The Alliance between COSATU, the SACP and the ANC did not break over the issue of GEAR, as predicted by bourgeois commentators and journalists.

The reasons were simple. On the one hand, the ANC saw that a strong Alliance, dominated and led by the ANC, would provide a perfect vehicle to keep the black working class in line and controlled by the black capitalists. As for white big business, it recognised that a large part of the value of the ANC to the neo-liberal agenda was *precisely* that it could use the Alliance to discipline labour.

On the other hand, the leadership of COSATU and the SACP also *chose* not to break with the ANC over GEAR. Some hoped that more could be accomplished by contesting the ANC and the Alliance from within, rescuing the "soul" of the ANC for the working class. What this naïve strategy failed to recognise was the class nature of the ANC.

But it must be said that many others in COSATU and the SACP had ulterior motives. They knew very well what the ANC represented – a party of the elite - and hoped that their loyal defence of the ANC would pay dividends. They hoped, in other words, to get a job in the ANC or government as a reward for their treachery to the working class, to join the elite by selling out the working class.

Even so, the ANC knew – and knows - that GEAR *cannot* be popular amongst working class people because its policies are nakedly anti-working class. That is why the ANC always dodges GEAR at election time, and avoids mentioning unpopular (but official) ANC policies such as privatisation and cuts in social services.

In both the 1999 general elections, and the 2000 local government elections, the ANC election manifestoes continually referred to the "RDP" and "RDP goals." GEAR was not even mentioned, whilst it was claimed that the ANC was committed to *increasing* welfare spending!

It *is* true that there *is* a class struggle within the ANC, inasmuch as the working class *supporters* of the ANC come into repeated conflict with the ruling class *leaders* of the party. But it is a struggle that is so uneven, and so stacked against the working class, that the chances of transforming the ANC from within are less than zero.

And so, since 1994, the ANC has picked up Botha's neo-liberal torch, selling out its working class supporters for a place at the table of big business.

Those comrades who see this as a "sell-out" of some sort of "working-class-bias," socialist vision, or Freedom Charter and RDP principles are simply avoiding the real issue: the *class character* of the ANC. The words "sell-out" imply that the ANC has backtracked on dearly held principles in pursuit of monetary gain. The fact is, though, that the ANC was *never* committed to the interests of the working class. As a party of the elite, it stood for the interests of black business and the black middle class. This basic orientation has never been compromised or "sold out," even if it has been disguised for political reasons. The ANC has therefore never "sold out" its real agenda: it has *implemented* it!

Hence, when Thabo Mbeki speaks of the need to "build a strong national bourgeoisie," as he did when he addressed the National African Chamber of Commerce (NAFCOC), he is neither joking nor making an offhand comment. He is talking from the heart, and from the party programme as well.