

CHALLENGES AND OPPORTUNITIES FACING WORKERS AND UNIONS: THE ROLE OF THE ANC

INTRODUCTION

1. The 52nd National Conference of the ANC in December 2007 will have to address a wide range of policy issues as we chart the way forward for the ANC in the following five years. Many of these issues are dealt with in the Strategy and Tactics Discussion Paper. In this paper we examine a specific but very important policy area that lies at the heart of the workings of the Alliance. This is the whole area of the rights of workers, the role of the trade unions and the structural changes in the labour market. This policy area will have an important influence on the relations we have with our Alliance partner, COSATU, and the broader trade union movement.
2. This is not an abstract policy matter as it relates to the working lives of our people and the absolutely critical role that the trade union movement plays within our political economy. The existence of an Alliance between the governing party and the major trade union movement is a situation that should have important effects within the political economy. Yet such a relationship will always be challenged by the dynamic changes in our economy and within the broader political conjuncture. We need to define these challenges and agree a work programme within the Alliance that will address the challenges.
3. This process of refining our policies and actions is important and there is a degree of urgency about it. In a meeting between the Government and the Trade Unions last year the President posed a crucial question. He asked what it was that the Government and Unions could do to ensure that this global phase of capitalism did not increase the burden on workers. There are two equally important components to this question. The first is that we have to understand the implications of globalisation and the second is that there are actions that can be taken by governments working with unions that will mediate adverse processes within capitalism. We can only do this if the ANC is clear on what it believes the policy and work priorities are and from this position it must engage with our Alliance partners to forge a common policy and action programme.
4. When we deal with the matters we have just raised we cannot confine our attention to the specifics of the labour market such as the organisation of work, labour law, the role of unions and worker rights. We have to also address two deeper issues which will have a decisive influence on how we move forward. The first is a clear understanding of the forces at work in globalisation so that we can define a strategic response and the second is the content and functioning of a complex political formation such as the Alliance. We will address both of these issues in this document so as to provide a basis for discussion of these crucial issues. It is also useful to read the other policy discussion documents to get an overall view on the analysis underpinning ANC policy and programmes.
5. However, the end point of these analytical considerations must be to forge a new and more effective response to the position of workers, their unions and the rights of workers within a dynamic labour market. In the last ten years the emphasis has been on traditional collective bargaining within a well developed and favourable body of labour law. We now have to address the challenges posed by a massive structural change in the labour market brought about by globalisation.
6. The document is intended to provide a basis for discussion of these issues that are particularly important for workers. The first section will summarise the key forces at work within globalisation. The next section will draw some conclusions as to what this means for the labour market, workers and unions. The third section will then look at the politics of responding to such challenges by looking at

the content of our Alliance and what our objectives are within the context of a national democratic revolution and how this relates to the struggle for socialism. The fourth section looks at the programme of a Developmental State and the fifth section looks at a programme of action going forward. In an Appendix we provide some basic information about where it is that we are starting from in relation to the structure of the labour market and the union movement.

GLOBALISATION

7. The current phase of capitalism that we are referring to as globalisation has profound and complex impacts on all classes within the various national political economies. In addition it impacts on the sovereignty of the nation state as political processes grapple with these very dynamic forces. It is the revolution in communication and computing technologies that is leading to observable structural changes in the productive forces, production relations and the workings of the international capitalist system. The complex and full effects of the process of globalisation are dealt with in more detail in other papers. Here we will summarise that analysis for the purposes of this discussion.
8. The basic changes within the means of production can be condensed into two powerful and dynamic processes that have developed in the phase of globalisation. The first is the dynamism of technological development and its rapid diffusion into production. This is now a global process and not even the largest economies can match or outperform the global system. This means that an isolated economy, no matter how large, will find its technology falling back in relative terms compared to those economies with strong links to the global system. Even an economy as large as China recognises this danger. In a sense there is a global process that has no regard for national boundaries. This then provides one of the most powerful and immediate curbs on the freedom of action of the nation state. If political processes within that political economy seek to isolate their national bourgeoisie or working class or peasantry from these forces they can fall out of these globally dynamic processes. The resultant very visible 'fall-back' effect and the citizenry of that economy have instantaneous media comparators across the world, which places major political pressure on the forces responsible for introducing and sustaining these isolationist policy directions. These political realities are essentially caused by the dynamism within the production forces.
9. The second is the dynamism of capital or of the accumulation process and the implications of this for the arrangements of productive forces within the global economy. The magnitude of financial capital is now so large that the accumulation process has to be seen in a global context. The changes in ICT mean that capital markets are able to operate across the globe in real time. This provides for massive mobility and indeed volatility within capital flows. This highly mobile capital can combine with communication and computing technologies that allow command and control over production in many different locations. This means that the actual sites of production can now be very dispersed, even on a global scale. This has increased the competition between national economies for actual real economy investments and the converse follows and that is that there is a rapid abandonment of investment in political economies that cannot provide the operating environment for contemporary global accumulation. This operating environment is not some blue print as some of the ideologues will have us believe as very varied political economies can succeed.
10. Investment decisions are complex and invariably they have to weigh up a number of factors. This means that there are no simple rules as to what will attract investment. We also have to make a distinction between the production of certain key commodities – various minerals and oil – which will occur even in the most difficult and unstable environments and the factors that affect the general level of investment in an economy. We have to further distinguish between the giant developing economies such as India, China, Russia and Brazil and the majority of economies. The pure size of the former means investing in them is an imperative for the global accumulation process. However, within the global accumulation process the key requirement is access to the global economic systems – capital markets, technology flows, and internationally compatible accounting standards and a predictable and stable business environment. None of these has to be perfect but if one or more deteriorates beyond a perceived threshold then the 'exit' effect is rapid and usually 'herd-like'.
11. One of the most important capital flights is in fact intellectual capital. If the rate of investment falls and skilled workers perceive that both their income and development prospects are deteriorating in a particular political economy they will leave it. Such movement is now relatively easy since expanding economies experience acute skill shortages and it is always cheaper and quicker to import

skills than to enhance training. Whilst problems related to discrimination and cultural diversity are serious and present cultural and political challenges in virtually all growing economies, the process of skill migration continues and is powerful. China and India in the recent past and Africa both then and now are prime examples of this process of massive brain drains. The point being made is confirmed by the fact that as China and India have started a massive and more open growth process the skills have started to return on a large scale. We see the start of this in South Africa as well. The labour market for highly skilled workers is increasingly global.

12. Important and fundamental changes are also taking place at a macro level or what are referred to as the production relations. The dynamic of capital mobility calls into question the meaning of a national bourgeoisie and accordingly makes national accumulation processes more volatile. A strong national bourgeoisie is only likely in very large economies and then only if they have access to the global economy. The maxims 'accumulate, accumulate and accumulate' now has meaning in the global market place. The petit bourgeoisie are important in all economies but they are dependent on and can support economic growth but they are not its instigators. This has structurally important implications for states and the role they can or cannot play within a political economy.
13. Such global accumulation has correspondingly meant that the size and significance of the global working class is now vastly greater. A peasantry does not exist in most industrialised economies. However, this has not necessarily increased the political power of the working class in the current conjuncture – its complexity; differing incomes and living conditions; ideological intricacies across the globe and its institutional weakness in relation to capital and states continue to act as barriers to the inevitable process of association foreseen by Marx.
14. Within these two dynamics – that of change within the production and technology processes and that of the mobility and volatility of investment flows – markets flourish. This is important since the operations of markets are more favourable to the interests of capital than labour. So markets mean that the power of capital will tend to be greater than that of labour despite the enfeeblement of national bourgeoisie. The problem lies in the fact that markets favour the strong and wealthy and not the sellers of labour power who require scarcity, institutional mobilisation and political power to influence the state before they can realise the immanent strength of association.
15. The power of markets has grown dramatically over the last few decades. The reason for this is that markets thrive on information and respond to it quickly – a process that has qualitatively and structurally altered with the advent of the communication revolution. There is a profound qualitative difference in the operation of markets across the globe – the very fact that they are, in many cases, operating in real time across the globe is the first element of this profundity. All the strengths and weaknesses of markets are still there – they may work faster and reduce arbitrage and rent seeking in many areas but their inherent inability to achieve equity or ensure long term socioeconomic and environmental sustainability remain.
16. The power of markets, the weakening of a national bourgeoisie and working class and the speed with which economic relations now change all have a destabilising impact on institutions that try to manage the wider public good. Such institutions move through political processes and these are performed slower and more cumbersome – a problem that is exacerbated massively if the political forces are themselves fragmented and therefore weaker. So nation states and multilateral institutions both have a hard time keeping up. The strength and stability of State power in any one economy depends on the strength and stability of the dominant class or classes within that political formation. This assertion is almost trite in its obviousness, but as will be argued is critical to an understanding of the current conjuncture. By a strong state we are referring to one that can make a decisive structural transformation and intervention within a political economy and then sustain those changes.
17. It is interesting and instructive to note that the development of capitalism on a global scale and the creation of a proletariat that is on a global scale all provide powerful support for the proposition by Marx that the development of capitalism will indeed lead to greater association – this being true of the capitalist class and the working class. For Marx it was the latter that offered a dialectical basis for the power of the working class in relation to state power and the transformation of the political economy toward socialism – the growing institutional power and capacity of the working class and the diffusion of the power of the capitalist class formed the basis of the dictatorship of the proletariat in a socialist society and the basis for a future communist society. However, in the current conjuncture the reality is more complex. The processes that have been out-

lined above have created greater degrees of interdependence and in doing so inextricably linked the capitalist and working classes of all national economies – association is prevalent. However, the collectivising institutions that would be necessary to harness collective power or impose public policy on powerful markets and enterprises are growing but weak.

18. Globalisation is a phase of capitalist development where economic processes are able to function very powerfully across national political economies. The power of technological change and the site of that change is increasingly a global process rather than a situation where it develops in one economy and then permeates into other economies. This means that the actual means of production and the organisation of work are now very dynamic with changes occurring in a few short years. The power of markets has grown and the power of national bourgeoisie and indeed of national working classes is subordinated to global processes of accumulation. This circumscribes the power of nation states and weakens and fragments the historic basis for political power within a state.
19. Let us first consider what the implications of these processes are for labour markets and organised workers and then return to the challenges globalisation poses for political power within a nation state.

CHANGING LABOUR MARKETS AND CHANGING METHODS OF WORK ORGANISATION

20. In the era of capitalism the nature of work and the structure of the skills held by workers have been in a process of continuous change. As technology advances new possibilities for work organisation emerge. How the work process actually is structured is a complex interplay between the possibilities created by technology and the power of organised workers to negotiate changes that are in the interests of the workers themselves. In this later process the class disposition of the state is a major determinant of the outcome of such negotiation. However, we need to define more precisely what it is that characterises the major structural changes in the labour market in this period of globalisation.
21. An important set of distinguishing features of this period is the dynamism of technological development leading to the ability to disperse the site of production (or work) and the powerful role that markets play. The accumulation process is global and capital is able to change the site of actual accumulation more rapidly and across more economies than in any previous era. Taken together this

has a powerful and divisive impact on the structure of production and of the associated labour market. In South Africa we have come to analyse this as the divide between the first and second economy – the division has more to do with economic process than with actual physical location. Let us explore this more as it has profound implications for the organisation of workers and the work process.

22. As we explored above the global accumulation process needs access to the global economic systems of capital markets, technology development, markets and a known operating environment for private business. A weaker national bourgeoisie and a more powerful global capital market mean that increasingly large parts of national economic systems are tied very closely into their global counterparts. Those parts of the economy that do not have access to or have not been drawn into the global processes operate very differently. Let us illustrate what we are referring to with two seemingly everyday products.
23. Take the sale of flowers in our economy. Some producers grow them and sell them in a local market or shop. They need to grow them cost effectively and find local customers. Other producers grow and sell them to large supermarket chains and export them. These producers are competing with their counterparts in many different countries of the world – Israel, Zimbabwe, Kenya, Columbia, Egypt, Australia – just to name a few. These competitors are not only competing with them in the third markets but are quite capable of competing with them in our own South African economy. All producers in this market have to adjust to tastes in very different economies - Europe, Japan, USA or the Middle East. They have to get the product there through fast logistics supply chains where a matter of hours is significant despite being continents apart. They have to comply with complex standards in regard to disease and the fertilisers they use. None of these requirements can be met if the producers are not locked into a computer and the internet. They would not have access to the latest technology, would not be able to respond to orders overnight and would not be able to book space in the cargo holds of aircraft.
24. Roast chicken can be sold at the station entrance, in a township shebeen or around the world. Buying a chicken, slaughtering and cooking it and then selling it at a station entrance is one economic process. Producing and buying Nando's is a very different economic process. Nando's is a South African company that now sells its brand of chicken all over the world. They have to buy chicken

in many countries, cook it to their recipe and sell it at a quality that protects their reputation. They have to move money, product and information around the world from their centre of control here in South Africa. Once again this is just not possible without the advanced communication and computing technology that now exists.

25. The fortunes of the global flower and chicken sellers are as much dependent on other economies as they are on South Africa. They can operate from South Africa because our economy gives them access to the global economy and in doing so they become part of a global production and consumption system. The small local producer of flowers and chickens produces a seemingly similar product but the similarities are largely superficial when we consider just how different every aspect of the economic processes is in reality. The global producers will be driven by changes in technology, taste and prices on a global scale whilst the local producers depend on very local changes in production conditions and demand. The former group are part of a first economy and the latter part of a second economy.
26. What is problematic about this divide is that the productivity, skill and income levels are rising in the first economy and generally falling in the second economy. For unions it is easier to organise in the first economy because it is more concentrated and accountable to modern legislation but each productive activity is inherently more volatile in its location, which is determined by global forces. This also then acts to increase structural divisions between the two components of the national economy.
27. Globalisation is a process where a global economic system has developed and within this the productive forces have changed and the changes permeate all reaches of the global system very fast. This has the effect of accelerating the differences between that part of an economy that is integrated into the global system and that part which is not. Certain economies are predominantly excluded from the global systems and this exclusion and 'fall back' effect is rapid. Within the national economy two economic systems emerge with very different labour markets. These structural divisions are not in fact new as previous economic analysis has made clear. The enclave colonial economies and the processes of development and underdevelopment also involved structural divisions in economies. In South Africa the deliberate containment of the pre-capitalist economic systems was integral to the accumulation process. What is new is the speed

with which the differentials can emerge and more important the fact that the global economic system can now permeate virtually every economic sector as opposed to the predominantly resource based economic development of the past.

28. This tendency toward exclusion and marginalisation of economic activity – first and second economy type effects – is exacerbated and further entrenched by the changing skill needs of the global economic sector. As we have indicated the motive forces of technological change are the rapid advances in communication and computational technologies. This alters the actual production process in many ways. It increases the ability to manage, monitor and instruct vast financial, electronic and mechanical systems. It makes machines and instruments more accurate and therefore machinery more versatile – all of which can be remotely controlled. Efficiency gains are increasingly achieved by more intelligent design of the work process and more precise integration of logistical flows of product and information. Components can be sourced from highly efficient but dispersed suppliers. This complexity means that whole new service industries have evolved related to customised software and applications packages to vast new business process (of all types) outsourcing centres spread across the world. Keeping pace with the technological and demand changes requires well resourced and centralised research and development facilities that can then feed information and instructions to widely dispersed operations.
29. This has changed the composition and type of skill now needed in enterprises that are part of or seek to be part of the global economic system. Highly trained specialists are needed to work in, understand and improve upon global best practice. These specialists cannot be narrow experts focussing on one key area, they have to be able to keep pace with and indeed foresee change. High levels of generic knowledge are necessary within a discipline as well as specific applied knowledge. In the work process the emphasis is on coordination design, risk identification, crisis management and knowledge of systems more than a specific component. Our local chicken farmer needs to know a lot about chickens but the global producer needs to know a lot about the computer aided systems that sustain their chickens. The knowledge about chickens is now embedded into the computer system not the farm manager who is more likely to be a capable manager of all systems rather than a chicken expert.

30. The production process requires a more educated and skilled workforce. Specific expertise, skilled artisans, unskilled and semi-skilled workers are still needed but in vastly lower numbers and proportions than before. There is greater emphasis on teams of skill, coordination and collaboration using computer systems than there is on specific skill, a capacity now located in many of the machines and tools used as instruments of production. Accordingly the higher the general levels of education and therefore skill are in an enterprise and economy the easier it is for them to adapt to the dynamic changes within the productive forces. So enterprises and economies are increasingly concerned about the availability of skilled workers. However, the nature of skill requirements is now characterised by two important properties. Firstly the rate of technological change places emphasis on the need for continuous skill adjustments and reorganisations of work teams. Secondly the higher the general level of training a worker has in key disciplines the more valuable they are since they can more easily not only adjust to change but actually generate it. So migration of skilled workers between economies is a manifestation of a similar process of mobility within and between workplaces in the national economy. These changes within the micro economy of the work place are very important for how workers are both organised and how the nature of their exploitation has changed.
31. We can therefore summarise the major changes in the labour market and in work organisation within a national economy in a few sentences. There is a deepening structural divide in process, productivity and income between the components of the economy largely excluded or marginal to the global economic systems – second economy type situations – and the globally integrated components – first economy type situations. Generally conditions are better in the first economy and workers and their unions have greater legal rights. Rights, conditions and organisational possibility are significantly worse in the second economy. New organisational strategies and structures are needed by unions in the second economy. The composition of skills has moved toward more skilled workers with higher levels of general education. There is much greater mobility of workers within the workplace and between workplaces. Whilst the conditions are generally better in the first economy the situation of each enterprise is less predictable since its location, expansion or contraction is determined by global capital markets, technology development and market demand. This

instability of specific enterprises can rapidly move to many enterprises within the globally integrated component of the economy if certain requirements for investment and accumulation move beyond accepted parameters. It is this latter situation that places limitations on the policy choices of states. The power of markets is significantly greater and more immediate due to the real time integration of information in modern markets. These factors make modern workers within the global systems better educated, more skilled and more mobile than ever before. In addition the site of work is now much more varied – ranging from giant factories, to service centres, small specialist companies to home based computer work. Increased emphasis on coordination and teams blurs the hierarchical relations of authority. These are all more difficult conditions for trade unions to establish solidarity of action and purpose.

32. What are the possible effective responses to this situation for the union movement and what sort of state form can best mitigate the obvious uncertainty and volatility that has accompanied higher living standards in the global component of our economies?

ALLIANCES

33. Analytically and historically capitalist economies develop production relations where two classes – capitalist and working classes – are able to contest for political power. The political power of the capitalist class is based on their ownership and control of the means of production and that of workers on their collective power in the production process. However, such power still has to be mobilised and institutionalised for it to have political expression. Even capitalists have to establish political parties and mobilise institutions to ensure that their policies and programmes permeate the state and indeed allow them to control state power. For workers this is a vastly more difficult task as they do not have access to the vast resources that an organised capitalist class has. They have to rely on mobilising workers around a collective consciousness and organisationally achieving continuous solidarity of action. This has been the classic contestation of political power in the advanced industrial economies.
34. However, in the developing world the process has been significantly different over the last century. In these economies the capitalist class has been smaller and predominantly dependent on its links with the capitalist class in the developed economies. The capitalist system developed mainly around the production of primary resources for the

developed economies or in the import and export trade. In almost all cases the capitalist class grew under the direction and control of the colonial administrations. The political struggle that emerged was not between capitalist and working class parties but between the colonised and coloniser. In this struggle the embryonic colonial capitalist class did at times break from the domination of the colonial administration and join forces with the anti-colonial forces. However, given the nature of the colonisation and imperial process the anti-colonial forces consisted of a number of class components - from old aristocracies to the small industrial working class that was emerging. Such class alliances were perforce complex. The removal of the colonial power was a common objective and easy to mobilise around but the precise form of democracy (or lack thereof) and the economic system to be adopted were more contentious matters and often resulted to serious divisions once the colonial administrations were defeated.

35. These multi-class political movements placed emphasis on different intermediate and final objectives. In some cases the defeat of colonialism was seen as allowing a return to previous modes of production with the previous class domination. In others the defeat of the colonial power was seen as basis to modernise the state and the economy and bring about an indigenous capitalist process. In a number of instances the defeat of the colonial power was seen as the basis for a modernisation based on modern concepts of democracy based on majority rule. Such political programmes were styled national democratic revolutions and generally socialist parties either led them or played important roles. In Russia and China the defeat and transformation of the old essentially feudal modes of production were essential if there was to be a modern process of industrialisation. How this was to be achieved and how the transformation toward a socialist economy would follow was a subject of great analytical work and major political contestation. There is an immensely rich literature on this indicating just how important it has always been to carefully define the objectives of any class alliance or liberation movement.
36. In South Africa the formulation of the struggle has clearly been within the tradition of a national democratic revolution. The confluence of colonialism, particularly brutal racism associated with a large settler population and the dangers of tribal and ethnic divisions has made a national democratic and modernising revolution the most powerful mobilising force.

37. A national democratic revolution is not a socialist programme nor is it a clever front for communist ambitions toward socialism and a communist end point. It is indeed a crucial programme to transform society and modernise the economy. Feudal structures, racism, colonial oppression and fragmented states (rift by ethnic or religious conflict) are all barriers to economic progress and higher standards of living for the majority. Accordingly building an integrated nation state based on democratic principles is a realistic and essential strategy liberating people from oppression and poverty. In these circumstances proponents of socialism have stressed that a national democratic revolution provides the platform for a further and later advance toward the conditions that would make socialism feasible. There is no short or quick jump from one to the other. A national democratic revolution has to succeed in its tasks before the political economy conditions exist for mobilising for a socialist transformation. We need to be alert to the very important historical distinction between a situation where an avowedly socialist or communist party leads the national democratic revolution and one where such party is attempting to bring about socialism.
38. In South Africa the position has always been clear with the leadership lying with the African National Congress which is a modernising liberation movement with clearly articulated objectives to build a nation state based on non-discrimination, non-racism and equality. There are, however, two very important positions that the ANC and the Alliance have consistently taken. The first is the importance attached to the African working class since it is from this component of the working class that the most committed cadres of supporters for a national democratic revolution would come as its achievement was clearly in their interests. Secondly the role of the State has always been seen as decisive. The Freedom Charter shows a clear preoccupation with the role of the State in securing strategic economic resources – in the language of the day ‘the commanding heights of the economy’. It is these two consistent positions in particular that have kept the ANC programmes orientated toward benefiting the masses and toward collective and state led actions rather than a dependence on existing economic structures and a reliance solely on market forces. It is also the centrality of such positions that have kept the Alliance intact through changing times as they constitute a significant basis for a progressive platform. However, no matter the importance of these positions they do not

constitute a socialist position.

39. It is important for us to consider the above matters since recently some very important positions have been raised in the SACP and the COSATU Congress. In the SACP there is a discussion as to whether the SACP should enter the political arena in its own right. In COSATU their resolutions specifically call for programmes to move the ANC toward socialist positions. Some have argued that this merely confirms earlier ANC positions. Implied in the COSATU resolutions and suggested by the SACP discussion is a view that the ANC has been captured by the capitalist class in South Africa and is intent on implementing an explicit capitalist and anti-worker programme. Both these arguments are very difficult to maintain faced with the actual events and evidence. Accordingly, we have to draw the conclusion that there are significant elements of leadership that now feel that the conditions for a transition toward a socialist programme are favourable. Such a position has to be very carefully assessed and the matter explicitly dealt with, since failure to do so could see the exacerbation of the current tensions within the Alliance and the emasculation of a real Alliance programme.
40. In assessing the developments that are associated with globalisation we are highlighting an important and vexing set of dialectical processes. The size and significance of the working class in the global economy has increased massively, in particular we have a working class that is involved in global production across national economy boundaries. However, the organised institutional power of workers has not grown in corresponding measure. National economies have grown significantly yet this growth has been accompanied by growing structural division in the labour market between the global component and the localised component of the national economy (first and second economy in the South African terminology). In addition even in the largest economies it is difficult to pursue an independent sovereign policy choice. A new policy path needs a critical mass of support from a number of significant political economies or multilateral agencies. Isolated economies 'fall back' very fast and it is easy to have socialism with poverty for all but to have socialism with prosperity for all requires the growth in productivity, technology and skill that characterises the global system presently. Those familiar with history will readily recognise the key strategic issues debated in the Soviet Union around 'Socialism in one Country'. The conclusion that this document proposes
- on the question as to whether it is now the time for an explicit move to a socialist economy in South Africa is that it is ill-timed, flawed theoretically and is essentially adventurism based on the hope of achieving socialism by proclamation.
41. For both those committed to the national democratic revolution and to socialism we have much work to do and it has to be done urgently. The analysis of globalisation in this document points to major set backs to both causes unless we devise and successfully implement a strategic set of responses to globalisation. This moves us to the question of the role of the State. In assessing a complete strategy we would also have to look at how we strengthen and build a multilateral system of governance of the global economy but this takes us beyond the specific focus of this discussion document.
42. There will be many an activist that sees in this argumentation a reformist platform in place of a committed and revolutionary passion. The analysis set out in the ANC policy documents all point to an inescapable conclusion. Even if there were a purportedly socialist revolution tomorrow the new state would face exactly the same challenges and need to follow much the same path as is now being proposed as the programme for the Alliance.
43. What are the challenges facing the ANC and Alliance as we move forward and what roles will the State have to play? From the discussion on globalisation and the role of political alliances we can draw some important conclusions and define the nature of our strategic response. As we indicated very much earlier in this paper the strength of a state depends on the nature of the class forces that underpin the political power that controls the state. Yet what emerges is that globalisation has had a particularly emasculating effect on national bourgeoisie and has not strengthened the organised power of the working class both nationally and globally. The dialectical process has been more complex than expected with the continued growth of the capitalist system. Markets, with all their well understood strengths and weaknesses, have however become more powerful in the global economic system. This is a very important analytical conclusion since it points to real dangers for the economy and society if a weak national bourgeoisie were to attempt to control the ANC. The national bourgeoisie in South Africa is particularly weak at present. It is politically inchoate, indecisive and its new black entrants too weak to play a decisive economic role. Indeed it would be unwise in

the extreme to leave the strategic choices for our future in the political hands of the national bourgeoisie. Yet it would be no wiser to leave it in the hands of a weak and organisationally unsound working class. We must not confuse the apparent strength of a COSATU with the strength of the working class as a whole. In any event, the strength of the union movement, by their own accounts as well, has not grown as one would have expected in the period of democracy. This is because we have not as yet adjusted the Alliance strategies in the area of the labour market and work place to meet rapidly unfolding challenges. As we have indicated the prospects of the SACP successfully or more successfully mobilising the working class are, on a fair reckoning, indeed low.

44. There remains only one politically effective mobilising strategy and that is to continue the Alliance as we know it. Residing in the policies and more important the history of the Alliance we find the only basis for mobilising a multi-class political force capable of designing and effecting a strong state that can harness the positives in globalisation and develop defences against its dangers. The work of this Alliance is to consolidate and develop the national democratic revolution within an increasingly complex global world. A united political movement with its roots firmly in mass participation and involvement is the only basis for the decisive, determined and yet patient transformation of our society and economy into a prosperous, stable and tolerant democracy.

BUILDING A DEVELOPMENTAL STATE

45. Increasingly we have styled the state we need to build as a Developmental State. Such a state is not some theoretical model that we have to apply. It is a concrete response to the conjuncture being dealt with and requires a powerful mobilisation of political support to construct its basic institutional features. The more detailed discussion of a Developmental State is dealt with in other policy discussion documents and we shall summarise the tasks here in order to prepare the way for the more specific tasks related to the labour markets, unions and workers. Each of the tasks summarised constitute a programmatic response to the challenges, both positive and negative, posed by globalisation.
46. The first challenge that the Developmental State has to meet is to set the strategic parameters for the accumulation process within the national economy. This is a complex process dealt with in the economic policy document. A strong public sector, effective state

owned enterprises, strategic investment initiatives, support for small, medium and micro-enterprises and an investor friendly regulatory environment are key dimensions of this coordinated and comprehensive programme. The State has to be capable of directly controlling vast resources and applying them to strategic tasks.

47. The second is to ensure that our economy and society remains close to the leading edge in the global development of knowledge, technology and more important that we are able to apply this within our economy and to the full benefit of all of our citizens.
48. Thirdly, the State has to be composed of efficient and stable institutions that are capable of monitoring, evaluating and effectively implementing complex policy programmes and ensuring that they impact positively across the economy and society. This requires high levels of skill and organisational capacity to be located within the public sector. However, it is also vital that the state facilitates and supports the existence of civil society organisations that can assist with many programmes and create capacity to engage on complex policy and implementation issues. Strong unions and strong business organisations are essential.
49. In the fourth place, and for the ANC and Alliance of particular importance, the state must be capable of establishing institutions and processes that prevent the inevitable effects of dynamic change from unfairly falling on those least able to adjust to them. A comprehensive and problem specific system of support has to be built. Again the state has to have the massive resources to undertake this task without adversely affecting other dimensions of the economy and society.
50. Finally the state must be capable of ensuring democracy is consolidated, corruption is eliminated and that citizens are secure and the society is stable in its tolerance of diversity. The Alliance, led by the ANC, has to consolidate and unite around these tasks if we are to build an effective Developmental State.

THE CHALLENGES OF THE LABOUR MARKET – THE WAY FORWARD

51. In now addressing the more specific challenges of the labour market, the union movement and workers we have to start from the point of accepting that we now live in a very dynamic social and economic time. The challenge is not to halt change but to successfully adjust to it. In organising workers we have to accept that the nature of work, the range of work and the location of the

workplace have changed very substantially. Of particular significance is that major structural divisions in the labour market are being deepened by the process of globalisation. Such significant changes cannot merely be dealt with by trying to regulate against them and hold all workers within the well understood ambit of existing labour market legislation. A more comprehensive response is needed. Here we set out the basis for such a response and in the process set out areas of work for the Alliance and for work between the organised workers and the government.

52. The first point of departure is that the trade union movement has to be capable of advanced analytical and policy work so that it can foresee events and interact in the realm of policy formation with the state and organised business. It has to have at its disposal the same skills and professional capacity as do the state and organised business. This applies to its full time officials and office bearers and its workplace leaders. This requires systematic training and education of the same quality, if not entirely content, as that provided for enterprises and the state. This is easier said than done since organising for a collective purpose is not the same as being an individual in a capitalist enterprise. It will require greater resources and more professional and managerial organisational practices in the operations of unions.
53. The second challenge is that in this environment unions need many more and more skilled organisers to achieve their objectives. National unions have to become major organisations in their own rights. The old traditions of hard working but small cadres of activists will have to change without losing the values of service, solidarity and collective

success. Once again this requires a revolution in the current organisational practices and management of unions. The more varied the organisational challenge the more multi-skilled organisers will be required and the more varied the organisational methods.

54. Thirdly workers have to be capable of mobility within the labour market. This needs high levels of skill and education but it also needs active labour markets to provide information for workers and to assist them to locate opportunities. Unions have to play a major role in such systems. Unions can play a major role in ensuring that workers receive training and high level education.
55. Fourthly workers should not unfairly bear the costs of change. This is a major challenge for the union movement. The systems and processes that are needed to ensure that this does not happen cannot be left to the State alone. Given the wide social responsibilities that the state has their efforts will fall short of what is required. Unions have to expand their capacity beyond the workplace to assist workers in times of transition. Setting up investment companies is a very inadequate response to a more serious challenge. What is true is that unions will need to mobilise more resources and undertake a wider range of activities than they traditionally have.
56. In all four of the above areas substantial programmes can be launched if we can refine precise policy programmes to meet the challenges. Such programmes can involve all the Alliance partners and must become part of the government programmes for the transformation of the economy and society. They are all potentially effective responses to the challenges posed by globalisation.