

**YOUNG COMMUNIST LEAGUE  
OF SOUTH AFRICA**

**POLITICAL REPORT OF THE  
NATIONAL COMMITTEE**

---

**SECOND NATIONAL CONGRESS  
13 – 17 DECEMBER 2006**

## Introduction

1. Building Youth Power for Socialism has been chosen as the guide for the discussions that will ensue in this Second National Congress. We want power, as Marx and Engels declared in the Communist Manifesto, so that we can change the lives of South Africans for the better. We want to consolidate youth as a power for the attainment of the vision of the SACP. We want Socialism for the betterment of the lives of the working class. We are power because, as we brought Apartheid to its knees, so shall we, with that power, crush capitalism to its knees. We are on course in Building Youth Power for Socialism.
2. The Second National Congress of the YCLSA is in session. This session takes place on exactly the three years since the Re-establishment Congress that took place at the Vaal University of Technology. It also takes place on the occasion of the 85<sup>th</sup> Anniversary of the South African Communist Party. In terms of the history that comrade Brian Bunting accounts for, we are exactly 84 years this year.
3. The National Committee decided to dedicate this Second National Congress to the Memory of the second and former National Secretary of the Young Communist League at the time of its banning, Ruth First. To us, comrade First symbolises an icon who was dedicated to the building of a strong youth movement in our country. Her dedication and commitment inspires many young people today to continue to fight for the struggle for socialism.
4. In her own words, which should continue to strike a cord on the current generation, said that “We are not contend to be handed our life on the plate by the older generation. We have seen what heritage of mass unemployment and misery they have passed on to us. We must be determined to go out and build our own new world, for we alone know what will satisfy us... There can be no proper understanding of [w orld] politics w ithout a proper understanding of socialism”
5. In the same vain, as we remember this heroic former National Secretary of the YCL who died in the hands of the apartheid regime through a letter bomb, we say that “[w e] are not contend to be handed our life on the plate by the older generation”. We will ensure that we have a “proper understanding of world politics” through a proper understanding of Socialis m”
6. Ruth First indeed instructs us to ensure that as the current generation of the YCL and of youth we should not lay complacent whilst the old generation claims to be running the country for us and in our interest. There are many tactics that have been applied in order to ensure that the YCL and many other youth formations remain quite against the current injustices so as we should wait for our time. Because they are of an older generation, they want to confine us and intimidate us with the know ledge that they have accumulated and are now distorting, and come to us claiming that they know it all. Some attempts to shut us up by suggesting that the only time that we should speak out is w hen issues that affects youth comes up. We say there is no issue that is under the sun that does not affect young people and as the YCL we will not allow the so called adult issues to ruin our future so as we “inherit mass unemployment and misery”. We w ill continue to speak our minds whether some are hurt or not, because it is our future we are defending.
7. We further would like to dedicate this Second National Congress to the communist heroes who held the first and second batons as the generation of the YCLSA. These cadres includes the likes Mike Feldman, Norman and Leon Levy, Louis and Sadie Forman, Esther Barsel, Paul Joseph, Duma Nokwe, Barney Fehler, Eric

Laufer, Harold Wolpe, Ismael Meer, JN Singh, Timol, Willie Kalk, Stanley Silwana, Thomas Mbeki, Sara Sable (the first National Secretary of the YCL), Eddie Rough, Moses Mabhida, Joe Slovo, Chris Hani, Govan Mbeki, Moses Kotane whom we continue to pay homage and remember as we continue with the baton that they have left those who came before us. These are the communist heroes who, despite a propaganda onslaught unleashed on the communist movement, remained committed and dedicated to the struggle first for national liberation as a basis and foundation for the struggle for socialism.

8. We could not have chosen a better time and place for holding this Second National Congress. We are meeting here exactly some few days after the historic reburial of the late General Secretary of the SACP, Moses Mabhida and in the same province where he hails from. There is no other fitting moment to pay tribute to the late General Secretary of the SACP, a young at heart communist himself till the end, than to have this Second National Congress just after his historic reburial. He will always remain in our hearts and minds, and continue to inspire us.
9. Like the historic re-establishment Congress of the YCLSA three years back, the reburial of Mabhida continues to inspire and usher encourage us that the individuals and organisations which the Apartheid regime tried to annihilate will always live forever and be remembered by the people. A challenge that we face as an organisation is to ensure that all those who died and were buried beyond the borders of our country are returned home. They all deserve a heroes' welcome in the same manner as the YCLSA and Mabhida. It is the challenge we pose for this Congress to declare that we will work with organisations such as the MKVA, the PYA, the Freedom Square and many other organisations to ensure that we return these comrades.
10. This Congress is also coinciding with the 45<sup>th</sup> Anniversary of Umkhonto we Sizwe on the 16 December 2006. There many young cadres who fell in the struggle for liberation, and to them, we owe much of our revolution. We say to these cadres, whom we will use this Congress to honour, that we will repay our debt to you by ensuring that we fight for the attainment of socialism. We further will be honouring those who left abandoned their education, families, work and normal life to join the Spear of the Nation, and on their return, were treated like scumbags in their own country. We know that they did not struggle and fight for our liberation to be rich, but we say that the most decent thing we our government should be doing is to take care of the basic needs of former cadres of Umkhonto we Sizwe. We owe a lot to them for them to be treated in that way.
11. This Second National Congress comes immediately after the historic COSATU 9<sup>th</sup> National Congress, and will be preceded by the ANC Policy Conference, the SACP 12<sup>th</sup> National Congress and then the ANC National Conference in December. We therefore need to locate most of our political discussions within the context of these august gatherings, and what the contribution of young communists should be in order to ensure that we build youth power for socialism.

**We are taking forward the mandate of the Re-establishment Congress.**

12. When the SACP 11<sup>th</sup> Congress took a decision to re-establish the YCLSA, and when that resolution was realised in the 2003 re-establishment Congress, prophets of doom had declared that we will just be another failing project of an ideology that has failed. Others, both inside and outside the progressive movement, had written us off even before we have started. But today we can declare that, albeit with limitations and shortcomings, we have made our mark. Today we can declare that

we are here to stay and no amount of pessimistic journalism, rightwing and leftwing opportunism, prophets of doom, will result in the disappearance of the YCLSA. That's the Bottomline...

13. Since the Vaal Congress we have sometimes punched above our weight. We have sometimes stood in front of giants and declared that we are ready to fight. We have sometimes taken up issues most organisations which have been there before us would not dare to take up. We have ruffled as many feathers as possible. And all of these were done in the name and interest of young people. We dare not fail.
14. The organisational report will show that from Vaal University of Technology to Mangosuthu Technikon we have managed to build a strong youth formation, develop cadres to take up leadership and responsibilities in the SACP and organised campaigns that contributed towards changing the lives of young people for the better. Politically, we have definitely contributed in ensuring that the SACP looks into the struggle for socialism much differently from the previous years. Our vehement and consistent commitment towards ensuring that the SACP examines and re-examines its relationship to power, and state power in particular, is one of the major positive contributions that the YCL has ever made.
15. Since the Vaal University of Technology, we gave impetus to the need for a strong and united youth movement that dares all to take the politics of youth seriously. Together with the ANCYL and organs of the Progressive Youth Alliance we remained committed to our conviction of a clear youth developmental agenda. The unity of the youth movement now and moving forward has shown that together we can move mountains and contribute better towards the South African body politic.
16. Our close links to the trade-union movement since the Vaal University of Technology has been strengthened immensely. The trade-union movement remains the closest ally of any youth movement that takes itself seriously given the challenges that faces the working class and the poor. Our commitment to transform the workplace as a power base for the working class, our determination to fight HIV/AIDS, our consistent support for working class struggle from wage disputes to conditions of employment is unmatched of the expectations put upon us.
17. Since the Vaal University of Technology, we have consistently risen to the occasion when young people called for our intervention. We have unashamedly campaigned for free education, jobs and against poverty. We have ensured that we voice our concerns and act in the course of injustices and violence meted to the youth by a capitalist regime. We have voiced our concerns and acted when we felt that the public service system is a disgrace to the youth of our country. We have acted vehemently against abuse of state institutions for political gains and private gains, especially against ANC Deputy President Jacob Zuma. We have supported all initiatives and participated in the course for the transformation of gender relations. We have not detached ourselves from the international community, and have consistently ensured that any violence and human rights abuse is exposed whether in Zimbabwe, Swaziland or the Czech Republic.
18. Indeed Vaal University Re-establishment Congress could not have come at a better time when SA needed the kind of collective, dedicated, determined and radical youth activism. It could also not have come at a better time when the SACP itself needed some breath of fresh air and young blood to help row the ship towards socialism. What we will be doing in the four days when we are meeting here, will be to connect Vaal University of Technology with Mangosuthu Technikon, and through a programmatic connection, we will build a better YCLSA.

## Focus of the Political Report

19. The National Committee agreed that the objectives for this Second National Congress should be summarised as follows:
  - Consolidate Organisational Building and emerge with a clear programme of action encompassing *mass mobilisation, campaigns and cadre development*, importantly, through practical work with and within communities.
  - Develop an approach on the *challenges facing young people* and how do we ensure that with young people, by young people and for young people a significant *platform for Youth Development*.
  - Engage into the Strategy and Tactics discussions and emerge with a clear YCLSA contribution on the issues relating to State Power and the role of the YCLSA.
20. This Political Report will therefore concentrate on those issues and ensure that we emerge from this Second National Congress having attained these objectives. In doing this, the report will look at the following issues:
  - Role, Nature and Character of the YCL
  - Towards a YCL Strategic and Tactics Perspective within the current terrain.
  - Socio-Economic issues and the struggle for youth participation in the Economy
  - Building a strong Youth Movement
  - Elements towards a YCL Programme of Action: The eight primary and secondary tasks of the YCL.

## Political Account on the Role, Nature, Character and history of the Young Communist League

21. According to Brian Bunting, the YCLSA was formed on 25 May 1922 in Johannesburg. His account, also supported by accounts of people he asked for statements, shows that the YCL at the time was mainly involved in challenging and changing the nature and character of the SACP as a “mainly white political organisation” and also in the period of the Second World War. The YCL was also actively in working with the trade union movement, and had actually become the recruitment ground for cadres of the trade union movement. The YCL was also critical in basic party work, including propaganda such as the distribution of CPSA pamphlets and sales of CPSA journals.
22. This shows that at the time the YCL was not a holy cow or a suppressed voice of children in the Communist Party of South Africa, but rather an integral part of the CPSA which had a say on the manner in which the party character should be, what its way forward to socialism should be and how we deal with contemporary issues of the time such as the Second World War and the link between the CPSA and the trade-union movement.
23. Of major interest the YCL was also involved in intensive political education, political agitation and mass campaigns. Although it only recruited “two talented Africans” into its fold by 1924, the YCL remained itself mainly a small and white dominated youth formation. This commitment is shown by the extent within which Ruth First emphasise on the need for Marxist theory was to be understood as a precondition for “proper understanding for world politics” and her firm belief that they “are not content to handed their life on a plate by the older generation”
24. As we campaign around issues that we consider as the current challenges for the youth of today, we should also note that these were the very same issues that the YCL of ES Sachs of the Witwatersrand and others were determined to fight around.

These issues included Juvenile Unemployment, Technical Schools and training of apprentices and issues of the law affecting young workers. We are therefore building on an existing and strong foundation.

25. The nature and character of the YCL should therefore be premised on making youth issues our prime issue. We should also be, as expected from the SACP, a youth formation that seeks to prepare cadreship for the entire progressive movement. We are further challenged by this rich legacy to ensure that we build strong ties with the trade union movement and define our role in terms of the young workers.
26. In as much as in its earlier days the YCL was mainly an organisation of young non-native South Africans, we have an opportunity under the current democratic dispensation to build a truly democratic, non-sexist and non-racial organisation in honour of the generation of the 1920's and 1940's. Further, all other National Secretaries of the YCL before the banning in the 1950's were female, a sign of the ACL's commitment to women leadership. The need to ensure that the 56% women membership is ultimately reflected in each section of our organisational structures should be taken seriously. We of course should take it beyond issues of women in power (representation), but also as an issue of the transformation of gender relations in SA. We did not have to campaign for 50/50. We did not have to entice them with positions. We did practical work that sought to shake the foundations of patriarchy in our society.
27. As a communist youth formation, we further draw our inspiration from the principles of democratic centralism and organisational discipline. The reason why we are together is because we share the same interests, that of socialism. We understand that there are private affairs of individual members and how they choose to conduct themselves. However, we should understand that our coming together necessitates that as an organisation we should have rules and regulations, that the centre must hold, that the members must decide from the minutest and lowest of structures to the highest of structures. This is why we have a constitution and various other policies and disciplines.
28. We obviously should not invoke these in order to suppress internal debates, however, we should understand that there is a point when the minority must succumb to the reasoning of the majority and the lower structures must ultimately be bound by the directives and decisions of higher structures as mandated by Congress.
29. The tendency that some will label intentions of restoring organisational discipline and democratic centralism as bureaucratisation of debates, intolerance of different views, Stalinism, centralisation of power within the organisation and other labels should be challenged. We are not running a loose organisation that should be subjected to continuous embarrassment by some few comrades who hold a different view. We say in our constitution that we are a Marxist-Leninist organisation, why then are we being called upon to tolerate anti-Marxist, revisionist tendencies whose major purpose is to stifle the struggle for socialism.
30. This tendency seems to be growing in the YCL and in some quarters in the SACP, especially in Gauteng and Limpopo. When people do not seem to agree with the decisions of the National Committee of the YCL or the Central Committee of the SACP and want to pursue their narrow and defeated views, they seem to invoke Stalinism, bureaucratisation, intolerance etc so as they can opportunistically advance their anti-SACP and anti-Marxist views. Any communist who finds themselves in a situation where they disagree with a view and such a view

becomes the decision of the organisation, such members, in a true revolutionary spirit, should be in the forefront of implementing that decision. Anybody who feels that they don't like such and such view take by such and such a structure must know that we are not here for individual feelings but for a collective organisational view. Such members must be advised that the door of the YCL is still open, and where they came in, they can live us in peace.

31. Organisational discipline is significant in that it does not give room for counter revolution to grow within an organisation. We want to take this opportunity, for instance, to condemn the actions of the SACP in Limpopo for having chosen to ignore the instruction of the SACP Central Committee that their so-called political school should be postponed. We feel strongly that an SACP political school became a centre stage by people who have resigned their membership of the SACP, and that if the leadership of the SACP in Limpopo wants to use our future home as a platform to advance their current private interests, they are in for a big surprise.
32. YCL members should at all times guard against a collapse of organisational discipline and the democratic centre. In the absence of a nerve of an organisation, then chaos will prevail. The YCL should be for socialism and all other conduct that seeks to reverse all the gains moving towards socialism should be challenged and reversed.
33. The other character that should be the most defining is that we are a youth organisation. As a youth organisation therefore we are different from the SACP and, as put by Ahmed Kathrada, we should at all times ensure that we refuse to be another SACP. We should proclaim like Ruth First that we will not inherit mass "unemployment and misery", and that if in any way the SACP moves towards counter revolution, we will be the first to occupy the stage and defend our future. The whole issue also of ensuring that we bring in our ranks members of the YCL who are young and fresh in their views and approach is important. We really need to ensure that we are indeed a "breath of fresh air."
34. As the YCL our strategic and tactical approach is firstly that SA is a capitalist country, and that our role is to change it. We need to ensure that we in simple terms explain to the youth of our country that their "mass unemployment and misery" is the creation of this capitalism. We need to ensure that in a simple manner we engage them in a consistent and continuous struggle against this capitalism. We need to say to the youth that their demands, simple as they are cannot be achieved under socialism. We identify these simple demands of the youth as the creation of work, their mass education, their shelter and their water, their food and the safety can only be attained under socialism. We need to emphasise to them that their struggle is to crush capitalism and through their power as youth, build socialism.
35. We are in conditions probably much more developed than the second and third generation of the YCL. We find ourselves in a situation where we are struggling against a vilified and condemned ideology that is associated with mass murders, mass hunger, poor salaries and a hopeless life full of "mass unemployment and misery". We must be able to say to the youth of our country that we are actually under "mass unemployment and misery", and that it can only get worse rather than better. Socialism is the only solution for the problems that young people face.
36. We further need to, in doing the above, ensure that we are involved in ongoing campaigns and practical work amongst the youth of our country to ensure that they

are in action involved in building this socialism now. Such work should include work in HIV/AIDS, fighting unemployment, literacy campaigns and through this, show that a better and alternative life is possible. In essence, the YCL should be involved in the consistent mobilisation of young people behind the *Struggle for Simple Things*.

37. The YCL has an important role to play in building a strong SACP. This in the main is to say that we will refuse to be handed “mass unemployment and misery”, but importantly that for us to achieve *Socialism in our Lifetime* we need a strong and consistent SACP. We should not be intimidated by those who wish we were quite on this issue or that issue. The relationship between the YCL and the SACP is of a dialectical nature. Although we are an autonomous organisation, we are also an integral part of the SACP. We are part of its policies and strategies, we participate in their formation and formulation, we raise debates about what we think the SACP should be, and should at all times ensure that we keep this in mind. We are not going to lie low when certain parts of the SACP are auctioned for purposes of feeding the private interests of individuals.

### **Towards a Strategic and Tactical Approach on the Struggle for Socialism.**

**This Second National Congress should help the YCL to define what we mean by socialism within the current local and international global context. The Second National Congress should also help us to discuss what the role of young people should be in achieving this socialism. We should be able to analyse through the Strategy and Tactics Discussion Document the location of youth as a state in class terms, the key political role players (balance of forces) and how do these relate to the struggle for socialism.**

**Currently, our guiding document and strategic vision in terms of the struggle against capitalism for socialism is located within the Medium Term Vision of the SACP. However, this does not mean that we should accept the Medium Term Vision as our bible that contains all the truth. The role of the YCL should be to remain critical of its analysis of the current phase of the struggle for socialism. We further need to ensure that we contribute into a process of its review and assessment with clear objectives linked to how the struggle for socialism should be waged given various conditions.**

**We should declare in this Congress that the role of the SACP 12<sup>th</sup> National Congress should be the following:**

**Review of the Medium Term Vision in relation to the current struggles;**

**The role of the SACP in consolidating the clearly “economistic” struggles that the working class are confronted with into a clear strategy of raising them to the level of power; and**

**Deal with ways of building the SACP as a political party of the working class and purging itself from internal anti-Communist tendencies.**

**Our Strategic and Tactical discussions should be based on four main pillars, firstly, our approach towards the attainment of political power; secondly, in terms of the current socio-economic demands of the working class and the poor; thirdly, in terms of the ideological struggle waged in the course of our anti-capitalist struggle and lastly, locating our struggle for socialism within the international perspective. We will briefly examine these in preparation for the later discussions in the Congress.**

### **Politically, in relation to power.**

38. As we discuss later on in the report, for us the struggle for socialism should first be a struggle for the attainment of political power. As Marx and Engels wrote in the Communist Manifesto, a declaration which remains true to this end, "We have seen above that the first step in the revolution by the working class is to raise the proletariat to the position of ruling class to win the battle of democracy." As we discuss our Strategic and Tactical considerations, we need to ensure that we place in the foremost attainment of raising the 'proletariat to the position of ruling class'.
39. We later on in this report briefly engage with the whole issues of the relationship between the working class and power, and how we should approach it. However, we need to express the fact that there are various ways and means within which the proletariat can be raised to the level of ruling class, including elections or a violent insurrection. This should obviously be linked to the other pillars of our struggle, the ideological, international and socio-economic.
40. The preoccupation of the working class at times when they are not ruling, should be how to raise themselves to the level of ruling class. Thus, as Marx and Engels continues, "the proletariat *will* use its *political supremacy* to wrest, by degree, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the state, i.e., of the proletariat organized as the ruling class; and to increase the total productive forces as rapidly as possible."

### **Socio-economically, in terms of meeting the needs of the people.**

**Most of the socio-economic demands that we lead through our campaigns can only be attained through the attainment of power. Not only do we find ourselves in a situation where these can be easily avoided no matter how massive the protests are (Our Defiance Campaign, Cosatu's Job and Poverty Campaign and the SACP's amnesty for all blacklisted). In instances where such demands are taken forward, it is always within the conditions set by the ruling class. However, consistent mobilisation of the working class and the poor should, rising the level of their consciousness and mobilising them to fight against the current socio-economic systems. So, in as much as campaigns may not achieve their immediate objectives, at least they will make an impact at the level of developing consciousness.**

### **Ideologically, in terms of preparing the people to defend this struggle.**

41. "What else does the history of ideas prove, than that intellectual production changes its character in proportion as material production is changed? The ruling ideas of each age have ever been the ideas of its ruling class." As part of the ideological struggles in all sections and forms of society, and importantly as part of contesting the ideological battle for the soul of youth, we should intensify our ideological work. We should affirm the call made by the SACP for the teaching of dialectical and historical materialism in our learning institutions, or put differently, the teaching of critical thought in society. We need to contest the character and nature of the media, for instance, as the supreme ideological site of struggle.

**Internationally, in terms of ensuring that we link with an already existing web of socialist activism throughout the world.**

42. Again, as Marx and Engels put it, "...the need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere..."and in the process create erodes national states and national markets, destroys them and thus bring the level of conditions of life into "mass unemployment and misery". The need for us to locate the struggle for socialism within the various developments in the region and continent is critical.
43. The situation in Latin America, where there is a wave of socialist electoral revolutions underway, and the incapacity of the US to collapse all of these due to its preoccupation of the Middle East, remains a statement of hope for the international working class movement.
44. The under development of the continent, itself of the result of the earlier bourgeoisies' 'need of a constantly expanding market for its products', has resulted in a new form of colonialism. Most African counties, as argued by Fanon, remain colonial subjects of their masters long after the chains of political colonialism are broken. South Africa has obviously become the launching pad of especially finance capital, and has itself become accused of neo-colonialism as most SA enterprises continue to destroy the local and continental market. We need to challenge this expansion, the global exploitation and consistently mobilise within the continent around this struggles.

**The SACP (working class) and its relation to State Power.**

45. The SACP Discussion Document on State Power has received unexpected responses. The Central Committee has endorsed critical options which have been included into the packaged documents. It is essential that we, as this Second National Congress, develop a perspective and ensure that we take forward the discussions in the SACP Discussion Documents. Perhaps some restatements are necessary.
46. The SACP Discussion Document should be reflecting on two important issues, that of power (not only how it relates to power, but also how it should cease power) and influence (mainly regarding the role it should play in ensuring that it influences various sections where power is located) in SA society. This is an issue which most political parties, particularly communist, should be engaged into. We should also indicate that power is not "only" located in parliament, but in other sections including the executive, the judiciary, the army and police, the third (generally referred to as the people) and the fourth estate (the media). Discussions of influence and power will become to naught if they merely focus on these sections.
47. It should however be noted that some power exist in parliament which may enable those who possess it to exercise control over the other levers of state power. We must however be careful not to equate the socialist revolution with elections and the parliamentary route. Arising from the above, the YCL should assert that there are many other tactical routes for the advancement of socialism. We should assert that for us, given the moment and time, we will either pursue socialism through by extending the olive branch or drawing the barrel of the gun. And as Che said, Socialismo o muerte – Venceremos (Socialism or Death, We shall overcome)

48. Increasingly absent in Party strategy is the possibility of a moment of rupture. We need to reassert this. This has implications for how the Party conducts itself today in relation to all fronts of the class struggle. Despite the Party's own mass campaigns, but it remains outside of workplace and community (working class) struggles against the effects of capitalism and the capitalist system itself.
49. These kind of Party immersion in class struggles means that the Party can turn these into an anti-capitalist struggle. The YCL must fight for Party immersion in these struggles. This also relates to the Communist Party's own campaigns which it has to consolidate in order that they are informed and shaped by an analysis of the structural causes of poverty, unemployment and alienation. This means that our conceptualisation and execution of our campaigns must not be reformist but must be directed at these structural causes. This consolidation must be linked to building links and scope to work with worker structures, local communities and social movements.
50. The YCL must fight for this. The full logic of this means that the Party should be consistently in the heart of COSATU-led worker struggles, community struggles and all progressive social movements. Local struggles have the potential to be turned into organs of working class power facilitating bottom-up and grassroots-oriented direct democracy by availing to the working class spaces, platforms and avenues, and strategies, through which they can challenge the establishment of the dominant class, place demands on power and contest its hegemony.
51. In the case of the YCL this includes struggles such as the campaign for the right to work, the struggle against HIV/AIDS, child labour, violence against young women and free education. This is a fundamental material condition for the Party's strategic objective of winning hegemony, influence and power across society. In doing all this, the Party must seek to link current struggles to the long-term goal of defeating capitalism and building a socialist alternative in South Africa.
52. This approach will also ensure that whatever happens whether the Party is in parliament or not, essentially the class trenches of the struggle for socialism are not beholden to a reformist parliamentary route. Of course in the current period, a decision that the Party must contest elections will be a revolutionary step. But the points made above seek to overcome the limitation of being constrained by a bourgeois parliament even if it may have communist proletarian representatives.
53. The other restatement should be of *whether influence or power will be contested through the Alliance* or out of out is dependent on the relations at various points of the Alliance partners. The SACP should of course discuss whether parliament is one of those institutions of power which it should consider contesting on its own. There are various options that the SACP will communicate in the near future. But our contention should be that contesting parliament outside all other sections and sphere of power and influence is adventurers.
54. We should therefore not be pre-occupied with elections "yes" or "no", but elections with what else! Discussions on State Power are wholly dependent on the material conditions and balance of forces at a given time, and that a view held, for instance, at the Special National Congress may actually have been bypassed by developments and may require a tactical shift.
55. We should also contend that the SACP should be directly represented in parliament, the modalities of how it happens can always be determined by the

Alliance. We should emphasise that difference with certain individuals in the ANC on policy, which may not reflect the overall thinking in the ANC, does not mean difference with the ANC. That is why we should endorse the SACP's analysis of a "dominant class project" in the ANC.

56. The vision of the SACP should be about attaining socialism, any discussion on power or influence should be intended to achieve that, not some "jaw-exercise" discussions. We are for the working class and the poor attaining and also transforming state power. This Second National Congress should therefore look into the various options, without being confined to those, and assist in taking forward the work of the Central Committee Commission on the matters.
57. This matter should also be taken forward at the 12<sup>th</sup> National Congress of the SACP for intensive discussions and resolution. What the YCL must also raise in this discussion is the strategy of revolutionary parliamentarism which must guide Party MPs even in the current period and eventually when we have our own. Key principles in this regard are the right of constituencies to recall their representatives, the need for institutions of direct democracy, the need for MPs to be paid in a manner which corresponds with our society (essentially at rates of skilled workers), the need for communist MPs to subject their income to Party control (as in the Indian case) and the need for communist MPs and parliamentary structures of the Party to be subordinate to Party structures and extra-parliamentary struggles.

**What is our understanding of the National Democratic Revolution in the context of our struggle for socialism?**

58. Are the problems that we are confronted with a legacy of national oppression or a result of the crises of Capitalism? An over-emphasis on the one will obviously lead to the undermining of the other. Racial capitalism in South Africa (the distribution and redistribution of the means of production on the basis of colour) is the cause of the current crises. The current crises is therefore a result of both the inability of national oppression to meet the needs and interests of the majority on the one hand, and the inability of capitalism to resolve national oppression and class exploitation (its foundation) on the other hand.
59. Therefore, a distorted National Democratic Revolution, which pursues capitalist accumulation path under the guise of nation building and reconciliation, continued class exploitation and the so-called deracialisation of the economy remains incapable of resolving the current crises of poverty (over 50%), unemployment (over 40%), HIV/AIDS (increasing daily infections) and other anomalies of the post Apartheid South Africa. In fact, we are currently in a post Apartheid capitalism!
60. A people and a class should be able to know WHAT KIND OF STRUGGLE THEY ARE INVOLVED IN at any point of class struggle. A people and a class needs to be able to identify the causes, effects and solutions for that particular epoch so as to be able to develop Strategic and Tactical conceptions of that epoch. The SACP has always articulated the dialectical link and interconnectedness between the *dominant contradiction* and the *fundamental contradiction*.
61. Given the history of national oppression and patriarchy as the *dominant contradiction* in our country, and the class struggles as the *fundamental contradiction* for the revolutionary and progressive movement in our country, we need to be able to continue to clarify ourselves what kind of struggle we are involved in currently after the overthrow of Apartheid administration.

62. The essence of a National Democratic Revolution was predicated by national oppression, gender oppression, democratic exclusion and class exploitation. The NDR cannot therefore be achieved on the superstructure of the old system. Breaking away either drastically or gradually from the old way of doing things is the first and most important step that progressive forces should undertake.
63. This is true given the fact that our democracy was a negotiated one, and that national inequalities persisted as a legacy in the transition from the old to the new society. It is further true to our understanding that *the struggle was not merely against the agents of national oppression*, but also against national oppression itself, otherwise the fall of the Nationalist Party government could have easily been identified as the actual victory rather than the practical tasks we face post-De Klerk.
64. We should further acknowledge that if we had identified the agents of national oppression as the enemy, we would have easily accepted the new regime even if they perpetuated similar inequalities or failed to totally reverse them, thus basing their developmental agenda on the carcass of the old and co-opting some few elites as developmental outposts for the new regime.
65. Therefore, is there a new struggle? If there is, who is the oppressor in this context and who is the oppressed? Still, what is the connection between the old struggle and the new? Who is the ruling class and who is the exploited? Again we ask the question, are the current socio-economic and political struggle a legacy of national oppression (as the dominant feature of the struggle) or a result of the inherent contradictions and inabilities of a capitalist society that is unable to resolve the dominant contradictions? [In essence, is there a link between national oppression and class oppression currently?] From there, we further need to ask ourselves, is capitalism able to resolve the national question? These issues should lie at the heart of the strategy and tactics of a working class party such as ours.

### **Is the NDR a useful concept?**

66. Does the onslaught on the National Democratic Revolution (NDR) around its usefulness as a concept serves any significant purpose in enabling us to better strategize and take forward the victory over the agents of national oppression? In this context, do we not also fall victim of creating the NDR as a reactionary process rather than those who basically degenerated it into a capitalist oriented revolution?
67. The same may be said of the concept of a socialist oriented NDR. For us, the NDR should be a Marxist-Leninist conception of national (and class struggles) in colonial countries. It was further and easily conceptualized in the SACP 1962 Programme as being about the ending of nationalist rule and the ultimate resolve of the social, economic and political crises by this nationalist rule.
68. The 1962 Programme further insisted that there are key struggles that needs to be waged in order to ensure that the fall of nationalist rule further gives meaning to the struggles of the oppressed. Our NDR (supposedly a socialist oriented) is about the implementation of the Freedom Charter, it is about taking the economy into the hands of the people, job creation, better and accessible education, water, sanitation, housing, accessible and quality healthcare system and about the will of the people.
69. The moment we no longer pursue these goals, we are therefore no longer pursuing the NDR. Therefore, instead of concluding that we have pursued a capitalist

oriented NDR, we should rather say that the NDR has been hijacked or degenerated into a post-Apartheid capitalism. An NDR without all of those developmental and economic goals is no longer an NDR as it ceases to be Marxist-Leninist (and socialist oriented).

### **On National Unity as a basis for the NDR**

70. Is it important to build a united nation for the struggle against capitalism and national oppression? Is national unity a precondition or a parallel and imperative struggle for building socialism? Who are the agents for such a struggle? What are the goals for such a struggle currently and moving forward? Has the kind of NDR implemented (a capitalist oriented NDR) been as a result of the reality of imperialism and unipolarity globally? To what extent has globalisation and market fundamentalism undermined our efforts to build a nation?
71. The conception of the interconnectedness of the national, gender and class struggle dictates for the working class to struggle for socialism, with national unity as an imperative for such a struggle. It should be noted that the interest of the capitalist class cannot and should not be a stratagem for the submergence of the interest of the working class. The engine for national unity should be in the first instance the national unity of the working class for the sake of pursuance of the NDR. The capitalist political economy in SA was as a result of the disunity (or foundation of Colonialism of a Special Type) of the working class in national terms. These divisions were beneficial to the survival of apartheid capitalism.
72. There are massive struggles in the workplace for better working conditions and a living wage led by the trade union movement; community struggles for basic services; homeless peoples struggles; students struggles for access to education; youth struggles for jobs and many others which required the organisational glue to become the basis for the struggle for socialism. The unity of the working class guided by this organisational glue becomes significant in the current struggles.
73. Most of these working class struggles are still being pursued currently due to the socio-economic conditions in certain sections of society being the same post Apartheid. These worsening socio economic conditions are brought about by the consolidation of the capitalist economy. The need for the SACP as a political party of the working class to intensify and build on these struggle as a precondition for the consolidation of the gains of the NDR and the building of Socialism is important.

**Moving forward, the key challenge is to ensure that we build a popular [not populist] understanding of What the NDR is and its connection to socialism. The pillars of the struggle for socialism should be based on the struggle in economic, political, organisational and ideological terrains (the MTV as a basis for the advancement of socialism and our Strategy and Tactics). We should also ensure that we build a strong organisation for working class power (and stop debating whether organisations suffocates the ability of the working class to creatively engage with the current capitalist regime). Without a consolidated revolutionary NDR, built around a clear unambiguous programme, the struggle for socialism remain in the distant horizon**

### **On the matter relating to the ANC Deputy President**

74. We have extensively discussed the matter relating to the ANC Deputy President, but again, some restatements are of significance and would assist in taking the

debate forward. This is also in the light of some deliberate distortions of the position of the YCL on the matter.

75. Firstly, As the youth – wing of the SACP we are guided by the Alliance protocol endorsed by the Alliance that no alliance partner should interfere in the affairs of others, including election of leadership. However, as it relates to the country's presidency, we are not aware of any issue that has arisen that disqualifies Jacob Zuma from standing as President. This, in our view, also applies with the ANC Policies in terms of leadership. YCL members will through their ANC membership participate in the discussions on whether Zuma should be president of the ANC or not in 2007. We have made this decision at the Policy and Strategy Conference.
76. We have always made it clear that the principle of innocent until proven guilty, and justice delayed is justice denied remain the premise of our support for Zuma. We have further raised concerns around the manner in which he has been treated by the National Prosecutions Authority, including the statements on having a "*prima facie*" case but without charging, impromptu raids a year ago, investigations over a long time (6 years according to Zuma and NPA records) and leaking of details of investigations to the media. We also note the off-the-record-briefing by the then National Director of Prosecutions to some selected editors some time in 2003/4, which attacked the person of Zuma, as part of the ill-treatment by the NPA. We are of the view that as long as the matters are not laid to rest in a proper court of law and tested, Zuma will remain a subject of innuendos and malice. Thus we have expressed that there should be no postponement of the trial of corruption, alternatively the charges be dropped.
77. We may disagree with some of the policy positions that Jacob Zuma advocates for or will advocate for in the future, but we believe that, like all citizens, we should not keep quiet when he is unfairly persecuted. We hope to expose the danger of utilizing state institutions and resources for a particular political end, to expose some of the problems in our judiciary system which still require drastic actions, alert people on the essence of solidarity. No matter how much you hate a person, defend their right to fair administrative justice, and then you will be defending yourself in the process. He is our leader and a fellow citizen. Anybody who support people's rights because they are either affected or are in it for personal gain are opportunistic and should be condemned. That is why we should say to the National Prosecutions Authority: We dare you Charge Jacob Zuma, we will see if the people will just stand aside and watch you do that!

### **Socio-Economic Issues and the role of the YCL**

#### **SA Political Economy focusing on ownership; Structure and features.**

1. Karl Marx, Frederick Engels and Vladimir Lenin together with many Marxist – Leninist writers have left us various theoretical accounts and practical experiences on political economy, mainly deduced from key British economists and actual global experiences. Because these were scientific, and thus, based on the tools of analysis they were able to deduce from studying thousands of pages and assessment of various societal conducts, their work still remains the most invaluable for the struggle of the working class and the poor throughout the universe.
2. Marxists have always understood that economic development, although influenced by external conduct especially given the impact of globalisation, is mainly in the immediate a localized activity. This does not necessarily mean that the umbilical cord connecting global and local economic activities is insignificant, in fact, this

remains the uppermost economic influence today. Our study and discussions should however be limited to the political economy of South Africa post 1994.

3. In the period between 1989 and 1994 Apartheid capitalism was faced with serious crises. The features of this crises included a *significant shrink of the national market due to unemployment and poverty, absence of foreign direct investments mainly due to international sanctions, lack of skills for the advancement of production due to uneven developmental agenda of the Apartheid regime and persisting political violence instigated and financed by the regime*. A catalogue of this crisis of apartheid capitalism is contained in the Reconstruction and Development Programme of 1994.
4. There were other features of general crises accompanying [Apartheid] capitalism, which included *accelerated growth of monopoly capitalism*, crises of *state capitalism* (mismanagement and rampant privatisation of State Owned Enterprises), *a weak but costly public sector, financial disorganisations, high inflation and a weak currency*, and, the *centralisation of the means of production* in the hands of white monopoly capitalism and the “socialisation” of the motive forces of the National Democratic Revolution in their attempt to make a final push against that system.
5. Not only were we witnessing the downfall of apartheid, but also a potentially serious challenge to capitalism itself. What was needed was either a conscious socialist-oriented national democratic revolution or the path of restoration of capitalist profitability to save capitalism from its apartheid crises. This is where GEAR came in, consolidated by the 1996 class project, seriously watering down many of the institutional and policy measures meant to advance the goals of The Freedom Charter and the RDP, and pursued a neo-liberal route. This is at the core of the rupture, not so much led by the ANC as by the increasingly dominant 1996 class project.
6. The features which we want to mainly concentrate on, included that of ownership. The key question which we think should be explored is who owns the South African economy, what are its main areas of operation, the balance between import and expenditure.etc etc.

### **Brief Characterisation of the South African Economy**

7. We have an official 27.8% un-employment rate (narrow definition) according to the Labour Force Survey of 2004. This translates to about 4.6 million un-employed people. Obviously this is a huge recipe for social discontent.
  - ★ More shocking still is that the same figures when analysed in expanded terms of un-employment description, which covers those who are looking for a work but are discouraged to actively do so due to poor success rate, the un-employment figures rises up to an un-believable high figure of 41.2%
  - ★ In real human terms – of the 16.6 million economically active people some 12 million are un-employed. This covers the range of the formal and informal, agricultural and domestic.
  - ★ Notwithstanding, figures released (by SA Reserve Bank Second Quarter in 2004) indicates that just over 7% of employment is in the non-agricultural sector
  - ★ Similarly, 20.4 million South Africans live in the non – urban areas.

8. South Africa is at whopping 59% Gini Index<sup>1</sup>, just only second to Brazil at 60% and far worse off than worse off economies like Zimbabwe and its range of developing countries like Turkey, Mexico and even China, figures by World Fact Book 2004.
9. The Human Development Report of 2003 indicates that the South African poverty line stand at 50%. (the poverty line is about R354 income per month below which people are considered to be in poverty)
  - ★ Seven of the nine provinces have a poverty line of more than 50% with the Eastern Cape, Free State and Limpopo even reaching 60%.
  - ★ 57% of the African population live below the poverty line as compared to 12% Asians, 35% coloureds 8% whites.
  - ★ Life expectancy stands at a mere 44 years, second lowest in 22 countries compared with, just above Botswana at 31 years. Other countries like Italy and Australia are at 80 and Japan is leading at 81. This is also from the World Fact Book 2004.
  - ★ Infant mortality rate at live births of 1000 stands at 73% for Africans, 18% for whites. This shocking information by the Development Bank of Southern Africa illustrates further divisions and in-equality between black and white.

### **The crises of HIV/AIDS as an economic crises.**

10. The Health Department reported in a 2003 departmental report released only in 2004 that 5.6 million South African are infected with the HIV virus from across all the colour line and classes. This is almost one in every nine South Africans.
11. As a *“plague of inequality”*, the HIV/AIDS epidemic is *“entangled in the circuitries that determine the distribution of power and privilege”* (Marais, 2006). As the YCL we must be aware that even the celebrated home-based care model presents difficulties for family caregivers and serves as a stand-in measure for an under-resourced public health service. In fact, home-based care policies intensify the exploitation of women since they involve a shift of the health care burden from the public health system to unpaid care largely provided by women in the family. What is worse is that the home-based care approach actually does not provide health care but social care thus limiting the life chances of those who depend on it. Those serving as home caregivers constitute cheap labour which bears the costs of health care.
12. As Marais (2006) puts it: *“home-based care... also expresses the kinds of prevailing inequalities that warp society”*. Indeed in an epidemic this severe, some form of home- and community-based care is vital as the sheer burden of care would flood the already-strained and under-resourced public health system. But the current approach amounts to the burden of AIDS care is being displaced into the ‘invisible’ zones of the home – and onto the shoulders of women. Indeed, home-based care appears realistic and fair but its true social, economic, financial and emotional costs are being borne by patients and their care-givers. This affects young people in severe ways.
13. Capital is also allowed and succeeding to perversely *“socialise”* and to shift the burden of the epidemic onto *“the lives, homes and neighbourhoods of the poor”*. Companies have considerable leeway for deflecting the effects of the epidemic –

---

<sup>1</sup> Gini Coefficiency Index measures the relative degree of income in-equality. It can vary in from zero value to value 100. In this case 100 value will represent absolute in-equality in income distribution and 0 value will represent absolute equality in income distribution.

and they're using it by shifting the terms on which they use labour, adopting labour-saving methods, cutting benefits, and so on.

14. In all these ways discussed above, HIV/AIDS is adding even more serious strains and stresses on already *"thin", "fragile"* and conflict-ridden social capital thus *"dismantling the hope of a better life in the most incontrovertible way possible: by killing them"* and thereby stealing *"from many millions more the very idea of a different, better world"*. This means further social exclusion of young people affected by HIV/AIDS.
15. To defeat HIV/AIDS requires a multi-pronged state-led and people-driven strategy to decisively drive a programme of building a decommodified, well-resourced, strong and efficient public health system which includes a national health insurance system, and challenging the skewed distribution and undemocratic control of financial resources in the health system (in particular the medical aid industry). To this, must be added the demand for an upgraded social package and redistribution which would include ... decommodified essential services.
16. But this is not possible without effective political leadership from the President, the Minister of Health and all of government. The Minister's conduct is an embarrassment and a threat to the lives of the many people we intend to mobilise for the revolution, 75,000 of whom died in 2005 alone simply because the state did not provide available and necessary ARV treatment. This requires the YCL to speak out consistently on all the issues raised above. This must be linked to YCL building and mobilisation amongst those young people living with HIV/AIDS.
17. Majority of South Africans live on social grants with Statistics SA reporting that since 1994 (the year of the democratic breakthrough) recipients of social grants have increased from 2.6 million people to 8 million in just ten years with a possibility of 3.2 million more joining the queue between 2005 and 2006
18. All these happens despite that a collection of data report called South Africa at a glance 2005 – 2006 has this to say:
  - ★ The largest economy in Africa.
  - ★ Its Gross National Product is 36% of all sub-Saharan countries combined.
  - ★ More industrial facilities, more cars, more telephones, more autobanks than all of the African countries combined
  - ★ We built 1.7 million houses since 1994. Of course there remains key questions that we must ask as communists on housing delivery such as: of what quality are the houses? How much was spent by the state and who benefited? Could the people not have benefited through co-ops rather than private builders? Is housing programme reversing apartheid and capitalist spatial patterns? Discussing these questions Hill show that even the political economy of building 1,7 million houses has not challenged capitalist accumulation even though significant resources were spent by the state. Further, the financial sector has not been pressured, what with government begging and not even using legislative power through, for example, a Community Reinvestment Act. In this area too, HIV/AIDS is having a devastating impact.
  - ★ The economy is growing, and we are entering what the President Thabo Mbeki calls in his state of the nation address, "the age of hope"

#### **Locating the South African economy within the global context.**

19. Our country is ranked 24<sup>th</sup> in terms of our Gross Domestic Production (GDP). The GDP value for the year 2005 was \$534.6bn with growth standing at 4.6%. The

services sector is still the highest at 65.1%, with industry and agriculture standing at 31.6% and 3.4% respectively (these contributions to GDP do not include the informal economy which is estimated to contribute something between 8% and 12% of GDP, and the figures need to be disaggregated further to make clearer which economic sectors contribute to the economic quite more precisely. The statistics in terms of GDP per capita stands at \$12 100 based on the 2005 data, whilst the statistics for GDP per sector (in terms of the main contributing sectors) stands at (3.4%) for agriculture, industry (31.6%) and services (65.1%) (2005).

20. Although at a decline, the mining sector (producing Platinum, Gold, Chromium, Diamonds) is still one of the major industries in the country. Although mainly dependent on export, the Automobile assembly and Metalworking equally remains a force. The other major sectors includes Machinery, Textile (mainly affected by imports), Iron, Steel, Chemicals, Fertilizer and Foodstuffs. The structure conforms to the minerals-energy-finance axis (capital-intensive and import-dependent) which was the resultant economic structure from more than a century of capitalist development.
21. It should be noted, and probably further expanded, that the mining sector has shaped the structure of the South African economy since the discovery of Gold and Diamond. This, having resulted in colonial wars, resettlements, migrant labour, development and under-development and further shaped the anti-Apartheid struggles may require a further analysis by the Young Communist League. An interesting point, as we dwell later on the whole question of ownership, is that with its expansion into construction, retail, finance, agriculture and manufacturing and transport, most mining powerhouses structured such expansion on the traditions developed in the Mining industry. In almost all the dominant sectors, there is a mining magnate tentacle present.
22. We still import more than we export, with a difference of more than 12bn. Major import and export partners includes the United States, United Kingdom, China, Germany, France and Saudi Arabia. Of course many unregistered goods find their way through customs without notice from the SADC region and the Asian markets. The disparity between income and exports is mainly due to the fact that we are not mainly involved into the final processing of mineral and agricultural products. China has mainly influenced the disparity, since its opened up its market and became a member of the World Trade Organisation. This has not only been in the textile industry, but also in communications technology, agricultural products and automobile industry.
23. The South Africa infrastructure is one of the most developed in the continent, but serves mostly the urban population (although there are still disparities in the urban areas). Even in urban areas, there are significant inequalities in access particularly hitting at poor and working class communities thus deepening the crisis of social reproduction facing these communities. In this way, capital is not bearing the costs of the reproduction of the labour force. This task is shifted onto the shoulders of women, particularly women as the state is also commodifying basic services.
24. The global phenomena of urbanisation, a resultant of rural poverty and developmental deficit and lack of an agrarian developmental programme has become a key phenomena of the South African economy. Lack of service delivery, basic school and health infrastructure, poor wages and evictions from farms have torced the rural poor to seek development in urban areas. This has also manifestad itself in the kina of developmental agenda that SA has pursued post 1994, which has not significantly changed apartheid social relations, but has intensified it. The

demand for rural development, better wages and access to land are more significant than ever as part of challenging the spatial post apartheid development agenda.

### Levels of Access to the Social Security Net.

25. Statistics in terms of access to social services (Which displays the economic divide between the rich and the poor) stands as follows:

Households with access to clean water	85% in 2001 ( <b>80% in 1996</b> )
Households using electricity for lighting	69.7% in 2001 ( <b>57.6% in 1996</b> )
Households in formal housing	63.8% in 2001 ( <b>57.5% in 1996</b> )
Households with chemical or flush toilets	51.9% in 2001 ( <b>50.5% in 1996</b> )
Pupil-teacher ratio	38:1 in 2003 ( <b>43:1 in 1994</b> )
People who have completed grade 12 schooling	20.4% in 2001 ( <b>16.3% in 1996</b> )
People with access to electricity	70% in 2003 ( <b>32% in 1994</b> )
Social grants	6.8 million people (R34.8 billion) in 2003

26. The social grant system has been a helpful intervention in providing income not only to the old age, but also to the disabled, children whose parents are without an income and many other forms of interventions. However, social assistance is nearing the boundaries of its ability to alleviate poverty. Though social grants may have played a role in reducing poverty, there are fiscal limits to the extent to which those gains can be expanded. It should further be mentioned that social grants are merely a liberal (probably welfarist) route towards calming the working class before the storm.

27. Most of the above, especially electricity, water, housing, sanitation and access to schooling depends on the ability to pay for these services. This has meant in certain instances that some recipients have to lose these services even over and above the free provision, these services have been cut off. These statistics do not include access to health care, and with HIV/AIDS being the most hard-hitting disease (with an estimated 15% population infected by the disease) in the country and the attitude of government policy on anti-retroviral roll-outs. We further need to contextualise the call for a Basic Income Social Grant and ensure that our support for it is based on a clear ideological and socio-economic base.

28. The provision of social services has mainly been used to offset the crises of unemployment, poverty and lack of access to or non-affordability of various essential services. In certain instances, availability of social services have literally been used to replace other socio-economic needs, thus forcing, for instance young people, to ensure that through teenage pregnancy they have access to this grant.

### Who owns the SA Economy?

29. Like in all capitalist economies, ownership of the means of production in the sectors identified remains in the hands of the few. Those who own the means of production can be categorized variously; through colonial rule and neo-liberal domination, inheritance, state intervention, foreign investors, beneficiaries of black economic empowerment and state parastatals. Most of these own and control production in the State Owned Enterprise, Mining, Services and Agriculture sector. The ownership of the economy in all these sectors is still in the hands of white monopoly capital (that is capital accumulated through years of dispossession, racial exploitation, state support, imperial domination and colonialism).

30. This capital was either as a result of creation by the state, which is mainly in agriculture and finance, whilst others were supported or owned by imperial and colonial masters. With its growth, it expropriated or expanded into other economic sectors, whilst its ownership remained in the form of an oligarchy. White monopoly capital further survived as a result of racial protectionist laws, purporting to represent national interest. It should further be noted that SA economy is gradually narrowing towards monopoly capital, with small, informal enterprises being expropriated by larger ones.
31. A case in point is the expansion into townships, a historically untapped market which was regulated by Apartheid, where Malls are erected to compete with small scale retailers, etc. most of the construction and retail companies are owned by white monopoly capitalists who fall squarely within that scope.). The Broad Based Black Economic Empowerment has merely produced few black senior managers (CEO's) who still earn far less than their white counterparts; whilst only 4% of ownership of the economy has only been transferred into black hands. This does not exclude the fact that most of these still remain indebted to their financiers. The recently released *Sunday Times* Richlist shed some light in this area, although it only incorporates shares owned in listed companies. "After eight years of effort, Black Business have only captured between 1% and 4% of the shares on the Johannesburg Stock Exchange" (Southall p461 2005)
32. According to Ben Turok, "there are the disturbing feature of the present scenario is that with a gini-coefficient at 0.70 income inequalities remain the same, or even higher, as under Apartheid when the gini-coefficient was 0.6 (1993). This means that the same degree of surplus extraction and/or economic exploitation remains in place." (Turok 2005a).
33. "Over the past 10 years, directors fees has increased at an average rate of 29%, non-executive directors (where many blacks are now appointed) by 49%, while workers increased their incomes by 6.5% (Labour Research Annual Report 2004). Also, the conspicuous consumption of the black bourgeoisie indicates a strong propinquity to enjoy the same fruits as their white counterparts. There has been an 'increase in black affluence – 41% of the affluent are now Africans" (Burger) while 60% of the middle class is now black (Hirsch). Blacks are clearly joining the white elite, which is one of the wealthiest in the World. South Africa had 690 "ultra-high-gross-worth individuals in 2002 with assets totalling 30 million USD each. There are 25 000 dollar millionaires living in SA with 300 billion USD in private wealth. Interestingly, the super-rich, people worth more than R200 million, has grown four-fold since 1994." (The World Wealth Report 2003 and VIP Forum quoted in the *Sunday Times* 9 May 2004)
34. "The case for encouraging the emergence of a black business class is compelling. Under Apartheid, blacks were denied any scope for capital accumulation by a maze of restrictive legislation, a lack of skills and education, no access to loans and job reservation for skilled whites. It is therefore logical that a National Liberation Movement should insist that space be created for black capitalists in the interest of deracialising the economy. Many of the leading personalities in black business were leading figures in the ANC and retained close links. The problem is that they come empty handed on to the field, they are 'capitalists without capital'" (Ben Turok, *Umrabulo* no.27: The challenge of managing capitalism)

## **SOME FACTS ON THE OWNERSHIP OF THE SOUTH AFRICAN ECONOMY**

### **1. South African Monopoly Capital and the dictates to the cause of social change**

The South African economy rests on various key pillars. These pillars are the main producers of goods and services at very large scale that if one of them collapses today the entire SA economy will be in real deep crisis. The main pillars are both domestic white capital which survived through Apartheid protectionist laws, and foreign capital which has since reinvested into the SA economy.

Such includes companies mainly from the UK (Barclays) and US (Chevrolet). In the main pillars of the economy, it should be stressed that there are competing national bourgeoisie and foreign capital interest. A new phenomenon, noted John Saul in his recent book, *The Coming Collapse of Globalisation*, is emerging where even economies such as the UK and US, due to pressure exerted by China after opening its market, no longer trumpet the triumph of globalization and are actually actively involved in protecting their local markets. The SA agricultural and textile sectors are but one example of these.

It should further be noted that this table, although compiled to the exact figures and individuals, is based on information given by the said companies on their BEE ratings and may not include the actual total ownership and who owns these companies. It should further be noted that the other illustrated point is the extent of involvement of key individuals who are active in politics.

#### **a. SOUTH AFRICAN MUTUAL (Old Mutual)**

- 1.1.1. It is in the financial Sector and
- 1.1.2. Old Mutual also owns NEDBANK which is one of the big four banks of SA's 52 banks.
- 1.1.3. It owns the influential First Rand Group which in turn owns FNB.
- 1.1.4. It is also an insurance company and is listed abroad in the London (primary listing) and Stockholm Stock Exchanges, making it a multi-national or transnational corporation company.
- 1.1.5. It has gone the BEE route with a deal worth R6.5bn (12.5%)
- 1.1.6. Among the key beneficiaries of this deal are senior ANC members Bulelani Ngcuka, Penuel Maduna and businessman Lot Ndlovu
- 1.1.7. Beyond the banking sector, it has its tentacle in the construction sectors.?
- 1.1.8. its shareholders are spread across Southern Africa and the UK (with 49% or 2bn shareholders being from there)

#### **b. SANLAM**

- 1.2.1. It is an influential insurance company
- 1.2.2. It owns one of the biggest SA banks, ABSA and also African Life Assurance.
- 1.2.3. ABSA has since opened international operations in New York and Tokyo and is aggressive on the African financial markets
- 1.2.4. It is one of the leading property owners in the country like its peers.
- 1.2.5. It has also gone the BEE route through ABSA bank
- 1.2.6. Among the key beneficiaries are senior ANC members Tokyo Sexwale and Patrice Motsepe (9.4%)

#### **c. LIBERTY GROUP**

- 1.3.1. It is an insurance company

- 1.3.2. It owns one of the country's biggest commercial banks – Standard Bank.
- 1.3.3. Standard Bank is also one of the big four banks in SA.
- 1.3.4. It is also a major property owner in the country.
- 1.3.5. It has gone the BEE route through Standard Bank deal worth about R6bn.
- 1.3.6. Among the key beneficiaries of the deal are senior ANC members Cyril Ramaphosa, Saki Macozoma, Moss Ngoasheng.
- 1.3.7. it is also present in printing and publishing and construction. The Liberty Group consists of Capital Alliance; STANLIB; Liberty Corporate Benefits; Liberty Ermitage Group; Medical Lifestyle; Liberty Medical Scheme and Liberty Properties, most of which have their subsidiaries.

**d. ANGLO AMERICAN GROUP**

- 1.4.1. It is a mineral and mining conglomerate and controls all the key mining industries
- 1.4.2. It owns the De Beers Consolidated group which is the world's biggest producer of diamonds.
- 1.4.3. It is also a leader in mining and owning platinum, the precious gold, coal, copper and phosphate mines across the country.
- 1.4.4. It owns a lot of land both in South Africa and the neighboring countries
- 1.4.5. It is a multi-national company with operations across the continent and the rest of the world.
- 1.4.6. It has also went through the BEE transaction through De Beers Consolidate in a deal worth over R10bn (compared to its total value estimated at USD 9bn-more than R63)
- 1.4.7. It has also done another separate deal in the parent company itself also worth billions.
- 1.4.8. Among the key beneficiaries of the deal are senior members related to top ANC members like Mzi Khumalo, Bridgette Radebe, Lazarus Zim and Wendy Luhabe
- 1.4.9. It is also in the retail, commercial, catering, textile, transport, construction and finance sectors with an estimated presence of 48%.
- 1.4.10. It is owned by Harry Oppenheimer.

**e. THE REMBRANDT GROUP**

- 1.5.1. It is a leading monopoly in the food sector and is owned by the Rupert Family. (Worth \$3.3bn)
- 1.5.2. It is also leading monopoly in the winery, spirits and beer production
- 1.5.3. It is a leading land owner in the country as it controls many a plantation entities
- 1.5.4. It is a leading owner of the land across the country
- 1.5.5. It has also gone the route of the BEE with people close to the ANC like Wendy Luhabe, Majozi etc.

But, they can not now be 'truly' considered South African in that most have shifted their primary listing abroad. However they have joined the league of the multi-national or transnational corporations.

f. The sixth monopoly is the state sector,

- 1.6.1. However the SA doesn't necessarily controls all the commanding heights of the economy like the banks and the mines as it can be seen above.
- 1.6.2. This puts the state at a very huge disadvantage and un-able to deliver basic services effectively outside the market based economic system.
- 1.6.3. Nevertheless, the South African state still controls a number of key areas such as transport - TRANSNET, electricity - ESKOM, telecommunications - TELKOM, Satellites - SENTECH, posts – POSTBANK, Broadcasting services –

SABC, oil – PETRONET and SASOL, Property – LAND BANK, and other important parastatals or state owned enterprises which numbers above 40.

1.6.4. At least more than half of these important assets of the people have undergone corporitisation and even complete privatization.

1.6.5. Among the key beneficiaries are senior members of the ANC including Smuts Nkonyama, Andile Ngcaba, Popo Molefe, Majozi etc.

35. Production in our economy is therefore, still like in all capitalist economies, based on profit maximization. With the abundance of excess (surplus) labour (at 41% unemployment), (the market value of) wage labour for production in most of these sectors is therefore cheaper. This is besides job losses in the retail, textile, mining and public sector due to a number of factors, including imports from countries producing with a lower labor cost. Although the State, through legislation, determines wages in some sectors, there remain insufficient regulatory means to enforce these legislations, particularly in the agricultural sector. Thus the State depends on the honesty of the regulated and the knowledgeableness of the exploited.

36. The State has little control of production, sometimes including in those areas where it has total or majority ownership. This is mainly because the capacity to produce, the market produced for and the other factors of production are mainly in private hands. Although it has been argued that we have a mixed economy, proponents of this arguments fail to realize that the construction of infrastructure, telecommunications, electricity and other sections which the state is predominantly responsible for are as a result of the needs of the market (attraction of a rather elusive foreign direct investment instead of 'social capital') and also dependent on the capacity of the market to invest or contributes towards such infrastructure. Others have argues unconvincingly that the main role or character of the state is to manage capitalism in order to ensure that market fundamentalism and neo-liberalism does not prevail over Keynesian models which the ANC government is fostering (what we herein refer to as anti-neoliberal capitalism).

37. Thus, and still like in any capitalist economy, production dictates the other two features of political economy, that is distribution and consumption. Because of the low wages, most of the products are not afforded by the majority of the population. Effectively, we have a crises of production which is basically being off-set through low-credit facility and consumer stimulation tactics. This is also what we refer to as a reduced national market. The majority of the middle-class is more dependent on the low inflation rate, which automatically reduces the rate of credit or makes it easier to be controlled, and thus, the improved growth (although not attained as per Gear standards) is the result thereof. More than 50% households, based on those living below the poverty line, are unable to afford basic foodstuffs, let alone the luxuries which results from their labour power. The recent upsurge by Tito Mboweni should be contextualised. This has more impact on the working class whose wage-entry levels do not allow them to purchase in cash, and are wholly dependent on credit. Moreover, given this justification that the economy is growing, the interest rates hike are not consistent with this argument.

38. From the above, we can safely conclude, firstly, that South Africa is a capitalist economy. Secondly, that the market plays an important role in the South African economy. Thirdly, that ownership of the economy is still along Apartheid colonial trends, with white monopoly capitalism still dominant. Fourthly, that BBBEE has insignificantly changed ownership of the economy, but has rather entrenched the

apartheid social relations. This is what Kwame Nkuruma characterised as neo-colonialism.

39. Lastly, that the crises that attended to apartheid capitalism still remains, except some changes (which includes growth, currency stabilization, etc) Another critical point is that BEE is not only mainly about extending a helping hand, but mainly also being about profit realization. This has been visible in the manner in which liquid cash or profits have been turned into credit through financing equity deals. Most of the BEE financiers are partners to the beneficiaries of BEE. The role of finance capital in this regard is significant.
40. There is a need for a clear campaign by young people to ensure that for access to the economy. This should clearly be linked to our Defiance Campaign and the 10 Youth Demands for 2015. The youth should begin to demand a stake in the economy of the country, and the first step should be to ensure that we demand for a change in the accumulation regime. Young people should be mobilised to fight against capitalism. There is an encroaching tendency to relegate the struggle against capitalism to the invisible hand of the gods that will remove the misery of the working class youth. We should hasten to declare that the freedoms of others being based on the unfreedoms of the rest can only be ended through struggle.
41. The fall of capitalism will not only be a mere resultant of capitalists being “their own grave diggers”, but will also be the “result from the growth of the revolt of the working class, a class constantly increasing in numbers, and trained, united and organised by the very mechanism of the capitalist process of production.” Appealing for bourgeoisie sympathy will only demobilize the working class. The other tendency that we have witnessed, especially having come from the business responses of the IV Nelson Mandela Lecture delivered by President Thabo Mbeki, is that it is not the business of business to save the working class from its misery, but the business of government. What is clear is that, the call by the bourgeoisie for government to ensure that there are conducive conditions to do business, to protect private property and to regulate the labour market is made in the national interest. Whilst on the other hand, the call by the working class for basic social services, even when made by the bourgeoisie, is to end crime and be humane for sake of protecting the private property of the bourgeoisie.
42. The tasks that we face as the Young Communist League, with our slogan “Ubudlela ndawonye esikhathini sethu”, is to ensure that we do the following:
  - ★ in the context of the SACP Medium Term Vision we help define the role of the working class youth under the current conditions of capitalist legality;
  - ★ we intensify the class struggle through highlighting the injustices of capitalist accumulation;
  - ★ we deepen the National Democratic Revolution and insist that the Freedom Charter remains its radical programme, and
  - ★ We intensify working class consciousness to ensure that the struggle for socialism is realized. This includes the need for a more open Marxism which even questions the SACP’s own legacy, theory and strategy, in particular the NDR. As the YCL we have a critical role to play here.

Our success in all these eminent tasks, shaped not only through this report but also through the organisational report and the discussion documents, should locate this Congress as a platform for a turning point in our organisation. We are bound to ensure that, in the words of Ruth First, we “not contend to be handed our life on a plate by the older generation”. This should be seen part as contemporary and future significance of

