

# Nationalisation, socialism *and the alliance*

A number of resolutions adopted by the National Union of Metalworkers (NUMSA) at its recent congress provoked enormous media interest.

MOSES MAYEKISO\* explains why the union calls, unfashionably, for nationalisation without compensation, and why it wants broader unity on the left and an end to COSATU's alliance with the ANC.



Following the NUMSA congress in July there was a great deal of speculation and comment in the press as to the crudeness of NUMSA's economic policy, and its intention to break the Alliance and start a new Workers' Party.

This uninformed comment also caused a degree of confusion among rank and file members of the ANC and SACP.

The NUMSA national office-bearers have therefore, in the light of the controversies and national interest sparked by the resolutions at our congress, decided to release a more comprehensive communique on key decisions of that congress.

NUMSA is a very strong supporter of freedom of expression and freedom of the

---

\* Moses Mayekiso is general secretary of NUMSA

**COUNTERPOINT****Finance  
Week****“NUMSA’s capacity for national harm”**

Numsa’s claim to be taken seriously in the debate on SA’s future has... been hugely undermined by the alarming fatuity of the economic policy statement – not that it deserves such dignification – which was accepted at its congress.

Simply, Numsa demands wholesale nationalisation, and without compensation for good measure. What a message to be sending in the 1990s...

Economic policies in post-apartheid SA must necessarily be critical, as must the general climate facing business. So when one of the most powerful trade unions in SA effectively comes out in favour of the far-left socialism which destroyed the economies of Eastern Europe, it must be a negative for the economy.

Thankfully, though, Numsa has made one positive contribution, even if it were not intended that way. The union wants Cosatu to break formal links with the ANC once there is an interim government. For the sake of that government, the economy, the ANC and SA in general, it will indeed be best if this does happen. Numsa’s capacity for national harm will then be appreciably reduced.

*from: Finance Week editorial, July 1993*

press. In keeping with this viewpoint we decided to open our national congress in its entirety so that the media could hear first hand what was said and why. This commitment to transparency made little impact. The media chose, with isolated exceptions, not to hear the key debates that they were so quick to comment on afterwards.

**Uninformed media comment**

This is a great pity since our congress was an important expression of democratic practice. It is a tradition in NUMSA that full-time paid officials do not participate in the congress debate. This approach arises from our view that the value of a policy lies in its support, understanding and participation by worker leaders. Carefully managed congresses may please the media but they don’t reflect workers’ views.

The debates were robust, reflective of an active membership in a democratic union. All manner of issues were discussed and those that were ‘hot’ ended in votes. The general

secretary’s report was also debated and amended. This gives an extensive background to many decisions in Congress, but has received scant attention from the media.

The conference itself was a culmination of six months of preparation. In the process, resolutions were discussed on the factory floor, in local general councils, in regional councils, and finally in the national congress. There were 780 delegates in congress representing eleven regions, and covering the whole of South Africa. In our assessment a significant majority of the delegates would be supporters or members of the ANC and SACP; many of them in fact being local office bearers of these organisations.

The congress discussed a range of resolutions and adopted detailed policy positions on industry restructuring and a reconstruction accord. These documents are every bit as important to South Africa’s future as the issues which the media concentrated on. We make the above points to alert our society to the dangers of superficial analysis and



reporting. Those reading the media reports, or at least most of them, would be badly misinformed about NUMSA as an organisation.

Now is the time to increase the kind of knowledge and understanding about different views held by organisations. If we are going to meaningfully interact we need to do so on the basis of knowledge, not ideological distortion. The full text of the resolutions, general secretary's report and minutes of debate are available from NUMSA. However, here we wish to briefly address certain key areas.

NUMSA has endorsed the idea of a reconstruction accord. The accord is seen both as our perspective on the transition and the basis of our support for the ANC in the coming elections. Two qualifications should be mentioned.

Firstly, the reconstruction accord was supported on condition "that the ANC achieves in the constitutional negotiations a bottom line of a strong and democratic unitary state based on majority rule without any minority veto."

Secondly, that two important issues need to be part of the reconstruction programme; the need for land redistribution, and nationalisation of the leading heights of the economy. The

land question is central for redistribution and housing provision, as well as for the development of policies that would protect our natural resources.

### **Why nationalise?**

Controversy has emerged on the question of nationalisation – particularly our emphasis that it should be without compensation and should focus on the leading heights of the economy.

These are no doubt newsworthy items, but isolated from other issues this focus is also a distortion. Nonetheless some fairly basic points need to be made for a better understanding of those decisions.

These demands are not new having been stated in the Freedom Charter, and in previous COSATU and NUMSA resolutions. What was controversial was the insertion of the two words "without compensation". NUMSA's congress had in fact debated this in 1991, but decided then to remain silent on that key issue. However this year regions chose to raise the same issue again. After nearly three hours of debate the matter was put to the vote and adopted by the relatively narrow margin of 455 to 312 votes.

**COUNTERPOINT**



**“The costs of nationalisation would be immense”**

A programme of extensive nationalisation entails taking over the commanding heights of the economy – banks, industry, farms and mines – and placing it under public ownership. A policy of nationalisation would appear attractive to many people who see the massive imbalances in economic power, ownership and incomes in South Africa. It would appear to give an opportunity for the masses to shape economic policy. It would deprive the current holders of power of their ill-gotten gains. Importantly, it asserts the moral superiority of public ownership against private ownership.

The costs of nationalisation would however be immense. In practice this would have to be done with compensation – the international balance of forces would make any alternative impossible. Compensation would be beyond the resources of a democratic state. The international isolation which would follow, together with the flight of skills, and crucially in a world of open financial markets, of capital, would cause major damage to the economy.

The inefficiencies associated with state-owned enterprises elsewhere in the world would be difficult to avoid. The goal of greater economic democracy in state-owned enterprises has been elusive elsewhere, and no concrete proposals have been advanced to suggest that we can achieve these...

But an alternative to large scale nationalisation of banks, industries, farms and mines is possible. Through our struggles we can create a system of co-determination, where capital or government is unable to act in a unilateral manner.

*from: SACTWU's economic policy, adopted July 1993*

The debate on the merits and demerits of nationalisation had largely subsided before this resolution was adopted by NUMSA. This is not surprising given the total onslaught mounted by the majority of the media.

However, nationalisation has been and will remain a necessary and legitimate instrument of economic policy. We need to remind white South Africa that they were not slow in nationalising to achieve similar objectives that we now say are central to the eradication of apartheid's socio-economic legacy.

**Need for an active state**

What in essence is being addressed is the size, character and function of the public sector. That this is a very necessary and important debate is now widely conceded. The state must

and will play a role in socio-economic reconstruction.

The question of land is complex and emotive in South Africa. There can be no doubt that both urban and rural development require land reform if they are to succeed and be equitable. How can anyone possibly consider a situation where existing white landowners are allowed to profit from the need to use the land for development to meet the needs of the majority?

Racist legislation and forceful confiscation form the basis of existing land ownership patterns. It is immoral that as we now try and address the consequences of racism, landowners should enjoy a second round of benefit in the form of a rent emerging from development. People may not agree with the

## Nationalisation without compensation?

### A summary of the debate at NUMSA's congress

**Border:** We would like to delete "without compensation". (Western Cape seconds).

**Southern Natal:** We need to add to the call for nationalisation that those companies found guilty of union-bashing should be nationalised. Also, no South African workers should have to fight for rights in foreign companies which workers in those countries have already won.

**Wits Central-West:** There is no point in rewarding people who have robbed us in broad daylight. We oppose compensation. Why must we pay thrice? We paid with our forceful removal from the land. Then we paid by being super-exploited in the capitalist industries, and now we pay them by buying the commanding heights of the economy!

**Border:** It's nice to say these things, but where are they possible? We don't know. We need to be practical, scientific and strategic. We don't know what the future holds. Negotiations are taking place. We don't know what the balance of forces will be, but now we are coming with a lot of rhetoric which will run us into problems. We agreed in 1991 that there is a need for some nationalisation. To discuss compensation is still premature.

**Eastern Cape:** We re-emphasise that we have an existing congress position on the issue. We should leave the issue of compensation – there is no point in putting forward empty statements. To be safe let us remain silent.

**Northern Natal:** We are convinced that we should scrap the words "without compensation". Also, on union-bashing: who is going to find companies guilty of union-bashing?

**Wits Central-West:** In 1991 we were silent. Now we say that this should be open. NUMSA proposes solving the housing problem within the next ten years. We are saying this will not be possible without nationalising cement, bricks etc.

**Wits East:** Nationalisation is not a punishment, it's a necessity to address imbalances caused by apartheid. We should not compromise.

**Border:** Comrades from both Wits regions do have some justification for thinking the way they

do. But we need not be led by what we have suffered, and then reach conclusions which might be right but are not practical. Do they have historical justification for their arguments? We may be in a position to make these decisions when we have political power, but to take this position now will only make getting power more difficult. Perhaps in our 1996 congress we will be able to adopt such a position.

**Wits East:** We are aware that our comrades are very much worried. But all in all this is South Africa not Germany. We need to say now what we need for the future, otherwise we will be very late. Those who are going to parliament and those who are now rich must know that this is our stand. We have no money, how can we compensate?

**Wits Central West:** We agree. We want to ask another question. It is a question of power. Are we saying that if we don't have the power we can't nationalise anyway?

**Northern Transvaal:** We want to be Charles Nupen here and mediate. We understand the imbalances we have. It's like in the ANC we have Peter Mokaba shouting slogans that the NEC has distanced itself from. We understand that anger. But we need to ask where has this worked before? Perhaps we should play with words and say "nationalisation, with or without compensation", and continue to discuss the matter in our ranks. (Northern Natal seconds this).

**Eastern Cape:** We must be careful not to commit ourselves to something we do not understand. Material conditions will determine this issue. We will make a mockery of ourselves calling for no compensation. We need resolutions that we are going to be able to defend.

**The matter was then put to the vote:**

455 in favour of "nationalisation without compensation"

312 in favour of "nationalisation"

1 abstention

proposal but it is a perfectly legitimate demand from those that have been dispossessed.

The prevailing complacency around development is dangerous. If existing landowners were to become wealthy at the expense of those who have suffered it could create massive political pressures. Land reform is essential and the nationalisation of land could well be the most effective means of achieving this.

The resolution on nationalisation also maintained that this should be done without compensation. This was a hotly debated issue in the congress – see box for a summary of the debate.

### Unity of the left

The need to build political unity on the left was another important consideration at the congress.

The resolution adopted, recommended that “COSATU should now already look at strengthening and uniting the working class inside and outside the factories; in urban and rural areas.” It reiterated our 1991 call for a “conference on socialism” as well as a “conference of civil society”.

The dramatic events of the fall of ‘actually existing socialism’ in Eastern Europe need to be soberly looked at by the left movement in the country. To date only the SA Communist Party (SACP) and to a limited extent the

Workers Organisation for Socialist Action (WOSA) and the International Socialists of South Africa (ISSA) have done some reflection on the crisis of existing socialism. Yet this issue has implications for everyone not least COSATU, which is committed to socialism, and the ANC with its anti-imperialist traditions.

We need both a sober assessment of this crisis as well as the charting of a programme to take us out of this abyss. Such a process cannot be the monopoly of one organisation or individual, but must be a heterogenous project of the entire left movement.

NUMSA’s congress resolved to:

- “Look at new forms of organisation that will unify the working class organisations and parties, that will take forward a programme to implement socialism. This could take the form of a Working Class Party.
- Set into motion a concrete programme of action to address the needs of the unemployed and underemployed.
- Instead of simply calling conferences, we want a mechanism to be put in place to monitor the decisions implemented after these two conferences. This mechanism must be based regionally and nationally.
- Implement the 1991 resolution on the unity of the left. The left (is) defined as those organisations with a programme reflecting

### COUNTERPOINT



### “Return to the path of class struggle”

The way forward for organised labour and the mass movement is to say to the Alliance: let go our hands! We are returning to the path of direct mass action, to the road of class struggle.

In order to struggle successfully, union members need first to strive to reassert the class independence of their federations and strive to sever any links with class collaborationist formations...

...Direct action will be assisted by the formation of a mass workers party based on clear class demands (Workers' Charter, etc). This would enable workers to move leftward and find a new political home without having to split their unions and mass formations.

*from: WOSA, 3rd National Conference, April 1993*

**COUNTERPOINT**

## The place for socialists is not out on the margins

An independent, trade-union based workers' party... is premised on the belief that the ANC will soon be 'the government', and nothing but the government. Once in power the ANC will do exactly what certain other liberation movements have done – wave goodbye to popular aspirations. Could this happen?

It certainly could. But to simply assume it will, is to walk away from the most important strategic challenge of our time: the battle for the life and soul of the ANC...

The ANC must remain a broad, mass-based national liberation movement. The place of socialist, left and working class formations is within this broad, ANC-led movement – not out on the margins... The workers' party idea prepares workers for permanent opposition, permanent defence, permanent marginalisation.

*from: Jeremy Cronin, SACP, Weekly Mail 23 July*

the following:

- commitment to control the means of production by the working class for the benefit of society as a whole
- democracy
- internationalism
- anti imperialism
- non racialism ... “

Anyone familiar with the South African left will attest to the fact that it is divided. The divisions are at times ideological, otherwise theoretical or on strategic questions. In NUMSA we have all these left traditions within our ranks. That diversity has been a resource and has made our organisation a robust weapon in the struggle against capital. We are the living proof that diversity is healthy.

### **New forms of organisation**

It is within this context that we are calling for the left forces to unite. Our resolution stresses the need to look at “new forms of organisation”. We then say that “this could take the form of a Working Class Party”. But we are not wedded to any particular form at this stage. Possibilities include a front of left

forces or one organisation. Much depends on the agreement reached with various left forces. The “Working Class Party” is but one form.

The delegates, who were mainly supporters of the SACP, felt that the SACP should play a leading role in this process together with left sections of the ANC as well as other left forces like WOSA and many independent socialists and social democrats. The essential objective of unity would be to begin to grapple with the struggle for socialism within the unfolding democratisation process; as well as the developing of socialist positions and programmes on concrete issues such as development policy, industrial efficiency, trade and so on.

This is not a call for movement by the left forces from the ANC, but as looking at the possibilities of strengthening the left as a class force within the multiclass ANC. The struggle for the soul of the ANC is not in contradiction to the consolidation of the left as a force.

The resolution must therefore be seen as a challenge to working class forces in the ANC to reappraise the strategic meaning of the Alliance, to seek ways of consolidating what has been achieved through the liberation

movement and to relate it to the strategic goal of socialism. Our position is therefore not backward looking but is forward looking; it is attempting to look at the challenges of the left in the 1990s, not in the 1980s.

### **New thinking needed**

The present situation demands new thinking from the left. We live in an era in which the post-1917 revolution process of transformation has to be relooked at. The unfolding democratisation process raises the question of how we will move towards socialism. Is socialism a far away goal that awaits the storming of Pretoria? Or is it a moment in the deepening of the unfolding democratisation process?

We also need to re-examine and review the method and institutions (and their relationship) for socialism. Critically important is how we advance towards socialism. How useful in the present context is the concept of a vanguard? If it is no longer useful what should replace it, and simultaneously be an effective organ?

Can a working class-biased party or movement be effective without at the same time falling into the trap of substitutionism,

where activists (rather than ordinary workers) are the active element in the organisation? And what should be the role of political parties? Should it be to lead struggles by itself? Or should it be to focus on building organs of self-empowerment; relegating its role to an ideological and catalysing one, subordinated to this mass empowerment strategy? Should it do both, and if so what should be the balance?

Can the notion of democratic centralism persist in the context of emerging plurality? Is it possible to have a cohesive organ within an uncohesive reality?

NUMSA certainly does not have immediate answers to all these questions, but the workers appeared to be looking for them when they resolved to "look at new forms of organisation that will unify the working class".

### **Our relationship with the ANC**

NUMSA's congress also commented on the related issue of COSATU's relationship with the ANC. It resolved that "once an Interim Government of National Unity is established and the ANC is part of it, we should not have a formal alliance with the ANC. We should deal with the ANC as part of the government of the





## FEATURE

day through engagement in forums such as the NEF, NMC etc.”

The experience of communist countries, where the trade unions were conveyor belts of the government, is clear testimony that we have to rethink the basis of the alliance. We also have a long-standing tradition in NUMSA and COSATU, of promoting union independence from government.

In our case, we believe that the formal status of the Alliance must end and that we should

relate with the ANC as the government of the day. Ending the alliance does not necessarily mean we will stop sharing political objectives with the ANC and the SACP. But in the pursuit of those objectives various social and political forces must have enough space and autonomy to pursue their objectives.

Just as leadership cannot be proclaimed but should be earned, so representation by a political party/movement of certain class forces should not be formalised, but must be an

## COUNTERPOINT



### “Our alliance is not a temporary pact”

The view of National Democratic Revolution (NDR) as a mass driven process of relatively long duration (and not as some forthcoming political event) underlines the need for an enduring Tripartite Alliance. This alliance is grounded in a shared strategic perspective – precisely our common commitment to a far-reaching process of national democratic transformation...

Our alliance is also not a temporary pact. The reconstruction programme, which we need to elaborate, will enable us to concretise our Charterist perspectives in the context of the 1990s going into the 21st century. The reconstruction programme, which lies at the heart of our NDR, is much more than a temporary electoral platform.

The tripartite is an alliance between autonomous partners but in which there is an enormous interdependence and overlapping of membership... We need to admit openly that, regardless of our intentions or traditions, the break-up of our Alliance would carry serious risks for each of the three components.

An ANC cut loose from independent working class formations, would find itself more easily dislodged from its historical and strategic vocations. Regardless of good intentions and an heroic track-record, it would become ever more susceptible to the pressures of governmental office, and to influence of non-popular strata, inside its ranks and beyond...

A trade union movement that confines itself to meeting the ANC only as “the government across the negotiating table”, risks falling into narrow, economistic unionism. Such a trade unionism would tend increasingly to confine itself to defending the narrow interests of organised, skilled and semi-skilled workers – in short, of a minority of the working class at the expense of the majority...

An SACP “going it alone”, risks becoming a grievance party, a marginalised force. The historic strength of the SACP has been, precisely, its decades-long ability to retain its autonomy but within a broad national liberation movement.

*from: Discussion paper arising from joint ANC/SACP/COSATU strategy*

**COUNTERPOINT**



## Should we maintain the Alliance after April 1994?

The national leadership of the union... recommend to Congress to call for the end of alliance politics from 28th April 1994. We say this for the following reasons:

1. Unions should not descend to being the labour wing of government:  
Alliance politics will condemn the union movement to being the labour wing of the political parties involved. To the extent these parties are in government it will reduce the union movement to being the labour wing of government. Effectively this will mean explaining to workers why government's policy is the way it is. Far from assisting workers in expressing their discontent with such policies we will detract from such efforts.
2. Democratic practices should be transparent not lobbyist:  
The union movement should not bind itself to practices of having exclusive meetings with government to iron out policy differences and then expecting government to implement laws consistent with the caucused position. This is to hope to turn the union into a Broederbond secretly controlling government.  
It is an open invitation for every interest group to adopt a similar lobbyist approach. It is a recipe for government by many little secret deals between government and individual interest groups. It is far more vibrant for unions and others to present their positions openly and argue them in co-determinate forums.
3. Trade union unity essential:  
At present we have several trade union federations. One of the major differences between them is the issue of which political party to "ally" oneself with. What we need is a single trade union federation at least between COSATU, NACTU and FEDSAL.  
The only way this can be achieved is to put worker unity ahead of political differences. While we worked in alliance with particular parties in the struggle against apartheid, this cannot be a permanent feature of our movement unless we want a permanently divided labour movement.

We are not putting forward a criticism of the benefits or practices of the political parties in the Alliance. Rather we are simply stating the firm conviction that we need to fundamentally alter the way in which trade unions should function in a democratic society if they are to fulfil their role as an independent representative of workers outside of the state structures.

...The way we exercise our political will in the future should not be limited to blindly supporting a party to which we are traditionally tied. A permanent tie undermines labour's influence on such a party since its support is taken for granted. Worse, the fact that it is so tied drives other parties to anti-labour positions in their campaigning. When they win an election, they do so on anti-labour tickets, and then dismantle all the institutions through which organised labour secures influence and power...

*from: Political report to SACTWU Congress, 1993*



organic product of history. A formal alliance becomes more problematic when such formalisation acts as a barrier to the actual unity of the trade union movement both within the oppressed and across the race barriers. One of the reasons put by the NACTU-affiliated Metal & Electrical Workers Union (MEWUSA) for delaying merger with NUMSA is because of our alliance with the ANC and the SACP. There is still the difficult challenge of making inroads within the white working class. The question needs to be asked, are these objectives realisable within or outside of the tripartite alliance?

Another reason for ending the Alliance is that political and union organisation have different priorities and different forms of representation. Even in a working class-biased movement, imperatives of macro-economic considerations can result in policies which appear, in the short term, as inimical to workers, resulting in a conflict of interests. In such situations, we believe autonomy will make it easier to discharge our natural duty of

defending workers.

In the concrete conditions of our country what does ending the Alliance mean for the reconstruction accord? It is our view that ending a *formal* relationship doesn't mean an end to the relationship between the parties. But the relationship changes in two respects. It becomes one between a movement/party and the entire organised working class, as against being a privileged relationship with COSATU. Secondly, the relationship becomes contingent; it is less informed by principles and more by concrete problems and issues at hand.

Will this lead to economism and what about the fight for a socialist conscious unionism? In any labour organisation the tendency towards economism and corporatism is always a possibility. But like all else in politics, it is a product of political struggles. In fact within the existing Alliance there is already developing, within COSATU, a tendency towards corporatism. Only a political battle can ensure that the tendency does not subsist. ☆