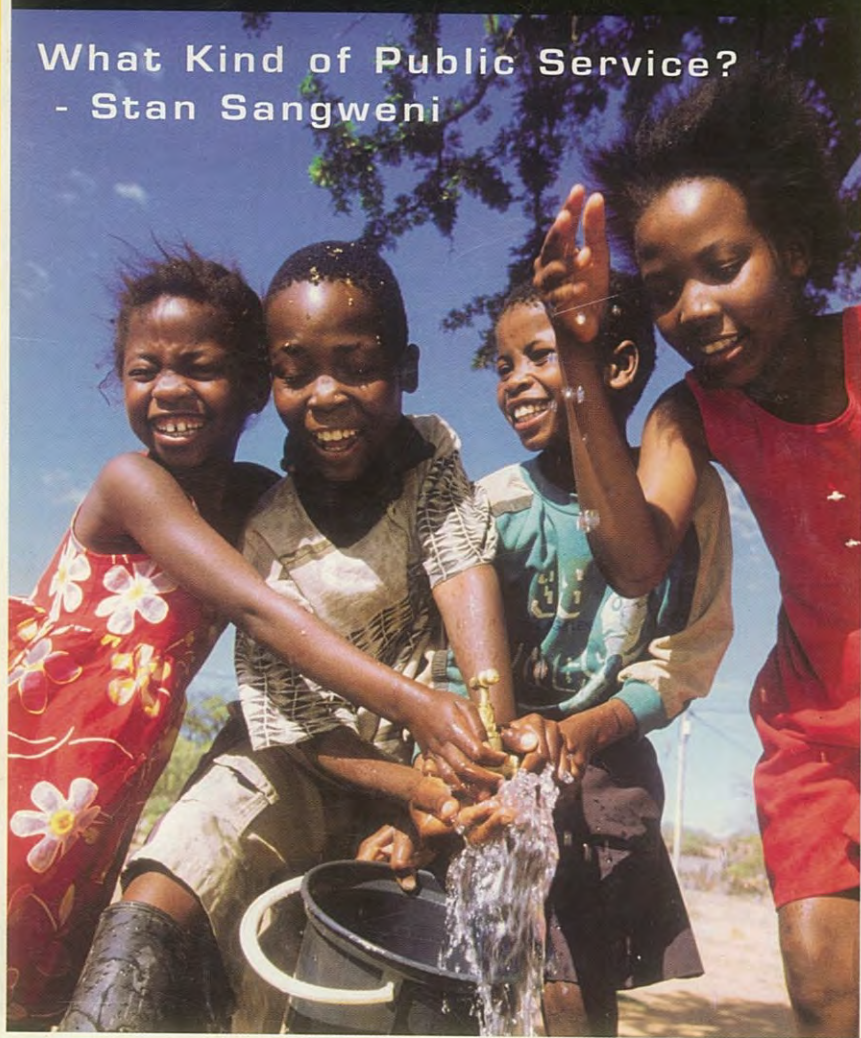


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What Kind of Public Service?
- Stan Sangweni



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ISSUE 10 - CONTENTS

Page

- 6 ▼ Editorial Opinion

COVER STORY

- 8 ▼ What Kind of Public Service? Stan Sangweni

INTERNATIONAL

- 23 ▼ Civil Society and Globalisation Kumi Naidoo
 39 ▼ The New Bipolar World Hazel Henderson
 43 ▼ International Crimes and Gross Human Rights Offences Shadrak Gutto
 49 ▼ Jihad Versus the New Global Warfare State J G Hund
 65 ▼ The Alternative to the Neoliberal System of Globalisation Samir Amin
 77 ▼ Declaration of the Parliamentary Conference on the WTO Organised by the Inter-parliamentary Union of European Parliament

SOUTH AFRICA

- 80 ▼ Is Funding from Western Countries Detrimental? Rozenda Hendrickse
 87 ▼ Unpacking Unemployment Neva Seidman Makgetla and Tanya van Meelis
 108 ▼ Cosatu's Alliance with the ANC. Sakhela Buhlungu

AFRICA

- 123 ▼ Human and Peoples Rights and Africa's Advancement Ben Turok
 131 ▼ Post-colonial "Rebel Movements" in Africa Thandika Mkandawire

BRIEFINGS

- 144 ▼ Call of the World Social Movements Porto Alegre, Brazil
 149 ▼ Submission to the African Union Summit Renaissance South Africa Outreach Programme

EDITORIAL OPINION

THE THREAT OF US MILITARISM

By Ben Turok

In this issue, we publish an article from the United States which declares: "As a patriotic US citizen I ask how the US could have turned into a self-appointed, over-militarized global cop claiming the pre-emptive right to bomb and attack other nations it deems 'evil' ". It is sentiments such as these which remind us that the Bush government does not speak for all Americans nor does it represent interests other than that of the military-industrial complex.

As we watched television coverage of the horrendous devastation of people and buildings in Iraq, the enormity of what was done in the name of "regime change" struck home. Forgotten was the threat of Iraq's supposed weapons of mass destruction. It has been displaced by the frightening display of military mass destruction by the US military.

We have learnt that the infamous "Daisy Cutter" which created a scorched earth in Vietnam has been replaced by the "MOAB", Massive Ordinance Air Burst, which weighs 21 500 lbs, is the size of a truck, is self-guided, and when above a target area, releases a highly inflammable gas which is ignited by an explosive, and which can devastate an area up to a distance of several hundred metres away. It was destined for Tikrit before it fell to US ground forces. It is a weapon of mass destruction.

Some of the other weapons used by the US have uranium heads which will bring cancer to all it contaminates, including the US troops themselves, as was the case in Vietnam.

This kind of war is anti-people, and against civilization. It merits even greater protests worldwide.

No one can claim that the world is a safer place, that the Middle East will be more stable, after this display of wanton destruction.

After the carnage of the Second World War, the United Nations was created precisely to prevent just this kind of eventuality. It brought into being the concept of multilateralism, based on the equality of all nations, and respect of the sovereignty of their countries. In time, the UN developed a peace keeping

capacity based on troops drawn from middle level countries, omitting the great powers who were caught up in the Cold War.

Africa and the Third World feared the consequences of the Cold War and rejected the notion of a bi-polar world. The Bandung Conference of 1955 was followed by the creation of the Non-aligned Movement in 1961, which embraced peoples of all races, religions and ideologies. The OAU followed in 1963. The result was that in the 1960's and 1970's, the South was able to shape international debate in many fields. The exception was the economy, because the Bretton Woods institutions were given autonomy from the debating chambers of the UN.

Despite these positive developments, the US launched several armed actions and supported others, in the name of counter-insurgency, which seriously damaged some progressive movements and the prospects for democracy. Many actions were not successful, with Vietnam the prime example.

But the collapse of the Warsaw Pact countries created new space for US domination and we now live in a uni-polar world with an ever more strident US foreign policy. Yet we should not be too defeatist. There are other major powers in the world - China, Japan, India, and of course Europe which is consolidating itself as an alternative power block.

There is also the much underestimated power of international civil society which has expressed itself as never before over the Iraqi war. Perhaps any new US adventures, using once more the military as a weapon of mass destruction, will arouse all these forces to insist on a more fruitful use of the world's resources than we have seen in the recent period. Above all, the spirit of multilateralism must take firm hold in a strengthened United Nations.

WHAT KIND OF PUBLIC SERVICE?

By Stan Sangweni

Prof Stan Sangweni, Chairperson of the Public Service Commission and Prof Richard Levine Acting Director General of the Public Service Commission were interviewed by Ben Turok

BT: Is it true that the transformation of the public service has been very difficult because public services are conservative institutions all over the world? The kind of people who work in public service are people who want security and stability.

SS: Yes, the public service is by nature a very conservative institution. In our case, that is compounded by the fact that we are transforming a public service that was badly designed from its origin in 1912. In fact, it was not a public service, it was a public administration, which even had a department called native administration. We want an integrated public service focusing on poverty alleviation, and delivery to the people. That is our point of departure for transformation.

RL: I think the issue is the distinction between a rule-bound organisation and a service delivery oriented organisation. But we should not be too rigid about this. If we say we are service delivery oriented only we may undermine the basic administrative side and that can also create problems. As we say in our latest report, some basic administrative systems are breaking down - simple record keeping for example. So you often run into major problems if you need to do investigations since you cannot put the evidence together because the filing system is so appallingly managed.

BT: How receptive was the public service that we inherited in 1994 to changing policies?

SS: Well, changing policies has indeed, been difficult. For example, we monitor the creation of a public service that is representative of the demographic profile of South Africa. That policy has been successful in terms of the racial mix, black, white and so on. But representation of disabled people is still far from what is desirable. The target is in the order of 2 percent and we have 0,25 percent.

BT: If government comes out with a White Paper or policy statement, how is it received in the public service? Do they pretend to support it, or are they genuine?

RL: I don't think it is possible to generalise. There are old guard civil servants

who have genuinely embraced the new order and are quite enthusiastic about some of the policies and principles of the new public administration and the new democratic state. But there are also a lot of games that go on in terms of people pretending to embrace new policies but who may be frustrating the whole process, though we should be careful not to create scapegoats. I worked in land affairs for two and a half years before joining the commission and that was a delivery department. Sometimes we had to be introspective and make sure that we were not blaming others for our own deficiencies. But the new codes on discipline and incapacity make it possible to take action if people are stalling.

BT: The rules allow that?

RL: Well, it depends on how you frame the case. There is decentralisation of managerial powers to take disciplinary action, though we find some reluctance on the part of managers to take that action. But if a senior official gave someone clear instructions, and you can show that those instructions were not carried out, then one can begin to build a case. You might not start with a heavy sanction. You will give a warning in the first instance and then you will give a final written warning until you build the case to a point where more substantial action can be taken.

The Old Guard

SS: I think this phenomenon of the old guard stalling was prevalent in the early period. I sat in the old Public Service Commission which was composed of the old guard and I have a very clear notion of that experience. But over the years, the old guard has fallen by the wayside, partly through severance package arrangements, though we lost some very good elements through that process. But we now have some very positive elements. Of course you will always have some negative elements even with the newly recruited civil servants.

BT: What about the quality of the inherited homelands civil servants? Are they universally incompetent, as it is alleged?

RL: That is a tricky issue because I am not sure if it is simply an issue of incompetence. You are talking of an old guard which is black, in this case, and who do understand the public service, and how the systems work. But there are tensions in the amalgamation of the homeland administrations which sometimes underlie some of the emerging problems. For instance in the Eastern Cape, particular civil servants from either the former Ciskei or Transkei end up occupying certain positions of authority

over one another, and this has led to tensions.

BT: Are these people supernumerary now?

RL: Well, we say additional to the establishment. In other words, people not properly located to do productive work - that is a big issue. In the amalgamation process there was no proper matching of departmental needs and skills. I think it was a massive achievement to form a unified single public service as quickly as it was done, but through that rapid amalgamation, people were often not deployed properly.

BT: So this is a problem of the new provinces which absorbed a large number of homelands officials and are now a huge chunk of the civil service.

SS: We have a figure of 1.053 million for the total public service. Out of which 649 491 are posted in the provinces as against the 303 556 in the national departments. KwaZulu-Natal is a large province where you have some of the biggest departments like the Department of Education.

When we started in 1994, the interim constitution required the Public Service Commission, with the Minister of Public Service and Administration, to address the integration of 15 different public administrations. Those administrations formed the bulk of the former homeland administrations.

RL: On the issue of skills, I think there are skills deficits and strengths across the entire public service. I actually believe that if you take into account the length of existence of the public administrations in the Eastern Cape for instance, they go back very far. Many civil servants, including the old guard in that province, understand the system and are skilled. Through the overall strategy of decentralising authority they have the potential to do well.

A Developmental State?

BT: Can we move on to the question of the developmental state which is referred to in your report. Are we really a developmental state, and which indicators can one look at to demonstrate this?

SS: Well, I am not sure about the indicators. But a developmental state is actually a constitutional imperative. It is a requirement of our constitution that public administration and management must be developmental. In section 195 (1) there is a list of nine values and principles which should govern our administration. One of these is that service delivery must be development-oriented and we in the Public Service Commission are

required to ensure that public administration is in fact "development oriented", "participatory", "accountable" and "transparent".

But it is also evident that the various initiatives of government at Cabinet, national and provincial levels, with the emphasis on being service oriented is just the push you want to move to a development state. A developmental state is a state which, among others, deals effectively with poverty alleviation through an integrated rural development, as well as an urban renewal, strategy.

BT: Would you say that the tendency in the last few years has been to increasingly move to a developmental state rather than a state which manages?

SS: Don't the two go together?

BT: Perhaps, but the United States is not a developmental state yet manages a great deal and provides massive services as well.

SS: Yes, the USA has attained its developmental objectives and their preoccupation is to sustain a high standard of that development. In our case poverty is at the centre of our current transformation because it is a major obstacle to that developmental state. Public management in South Africa emphasises that the entire effort of managing our resources, both human and financial, should address poverty alleviation through service delivery.

BT: OK, let me quote you from your own report at page 26. It says there is "no clearly stated national strategy for development incorporating poverty alleviation and local economic development". That is a rather strong statement?

RL: Well, I think it is broadly true. I do think that there are particular initiatives which support the notion that there is a developmental state. The key challenge is how we mobilise and utilise the resources of the state to promote development. Outcomes cannot be achieved by a single department on its own. However, the shift at national cabinet level towards the formation of clusters is creating an enabling environment for developmentalism to emerge. Putting that into practice and operationalising this becomes a big challenge when you are dealing with a huge organisation like the public service, because there are so many things you need to co-ordinate and line up.

For a start, the whole budgeting process is not really outcomes based because it is focused on outputs at the level of line departments. So that is one of the deficiencies you run into.

Cooperative Governance

RL: Co-operative governance is a very progressive feature of our constitution, but how do you operationalise it? At the end of the day, when you come down to local level, which is where development must take place, it is very difficult to operate in isolation and that is why in most parts of the world local government is more inter-disciplinary than other spheres of government. Also, to line-up national, provincial and local government, in one concerted effort to alleviate poverty is clearly a challenge.

We have set up some citizens' forums with the Parliamentary Portfolio Committee on Public Service and Administration and we have looked at poverty alleviation in two areas in the Eastern Cape where we brought together a forum of citizens, NGO's and local stakeholders, to discuss developmental challenges and clearly one of the issues that emerged at the outset was the problem of co-ordination in government. At a district level, you have got district managers who are overseeing some of these projects, but they are not linking up with their counterparts in health or in agriculture so that various poverty alleviation programmes are coming from the top and not really coming together at the lower sphere of government. At the end of the day, development is the outcome we want.

However, what we actually get is an output which might be an individual project such as a sewing co-operative or a cabbage production project which is accountable to a single line department because the funds are coming through a national department of agriculture or social development. And that is a brake on some of the development issues. If you get an approval from Pretoria for a project going on in Lady Frere in the Eastern Cape, it is a very long chain and the person at the service delivery end waits a very long time for that approval, gets frustrated and looks for other options.

BT: So you might build a school somewhere, but there is no road to the school or no water and so there is no development?

SS: And also, I think what is important is that development is a continuing process. You mentioned that the United States is a developed country in the sense that its main task is the maintenance of a certain level of that development, or a certain standard of living. Whereas in our case the main issue is to foster a developmental state by alleviating poverty and that is a continuing process.

BT: I want to ask you about public participation. The report deals with that - how much public participation is there? How strongly is the public service geared to it and who sets the goals for this public participation? And what are the citizen's forums?

RL: Firstly, one problem we have identified is that there is no standard for public participation. However, there are elements of public participation, in provincial legislatures for example, which are very positive including the attempt to empower people to participate in the law-making process and so on. Also, a number of the more developmental departments, say housing, land and environment, have engaged in public participatory processes where they try to identify different role players who are affected by a particular issue, and they have pulled them into the drafting of Green Papers, White Papers and so on. So one can acknowledge that there has been considerable public participation.

Some people may see it as a brake on implementation and say there is too much consultation to get things done. But we have raised in our report the need to determine an acceptable standard on participation in order to guide forms of public participation. The issue of participation in improving service delivery is different from policy formulation. We also identified imbizos and provincial cabinet outreach programmes. These are programmes which are actually in place. They are very important in terms of connecting the executive level of government to the people and providing some context in which people can engage with the president or ministers. What we have tried to do in the citizens' forums is come up with a mechanism which is very specific in addressing a particular service delivery challenge.

So we engaged in a partnership with the Portfolio Committee for Public Service and Administration in national parliament, and we have built partnerships with standing committees at the provincial legislature level. We have gone to provincial executive councils and explained to them that we want to hold forums of two or three days where we bring together a representative group of citizenry at local level to discuss a particular service delivery issue. We then engage in consultation processes with MEC's, HOD's and citizens about what particular programme should be discussed.

For instance, in the Eastern Cape it was the poverty alleviation programme in the social development department, in Mpumalanga it was primary health care. We then convened these forums with roughly 60 to 90 people in each forum representing a range of role players at the local level. There was a lot of preparatory work in each case, where departments engaged with these role players which included people at the municipal level. We have done a pilot of five forums, mayors have been involved in each in one capacity or another. Some have sat through the whole forum, others have merely opened them formally, or participated in the early sessions. Basically we pinned them down to a specific service delivery issue,

so that we could get the people's input on how these services could be made more user friendly. Among the issues discussed were the delivery of the poverty alleviation grant, which is really authorised from the national level and implemented by the Independent Development Trust (IDT) which is quite a long service delivery chain.

BT: How widespread is this forum process? One is not really aware of it.

RL: We piloted forums in five localities and presented the findings to the national portfolio committee. Now we want to do a national rollout where we would do 72 forums over a period of two to three years, looking at four services, two in each province.

BT: Is this in line with your mandate? It sounds like the work of social development, rather than yours?

SS: It is our mandate. As I said, the issue of developmental orientation is a constitutional imperative, as is the question of public popular participation. It is part of the values and principles contained at Section 195 (1), of our constitution as the foundation of our public administration.

Role of Parliament

SS: I want to make a point about our collaboration with the parliamentary portfolio committee and how the oversight function of parliament ought to be complemented and enhanced by our democracy supporting institutions. We in the Public Service Commission are an oversight body that works in tandem with parliament. We have actually gone out in practical, hands-on activity with the portfolio committee. The citizen's forum is the first of its kind in our country, and there is a lot we have learnt from that on how parliament can actually be complemented and enhanced in its oversight function work. Certainly the Portfolio Committee for Public Service and Administration has found this initiative extremely positive.

BT: This is very interesting. Can we turn to the question of the equitable provision of services? This is obviously very controversial since the previous public service was administering services very unequally. What can you do to encourage the equitable provision of services?

SS: That too is another constitutional requirement for our public service to render service delivery in an impartial, fair and equitable manner. Batho Pele is a policy designed to promote the principles of equity and fairness. A great deal can be done and is being done. There are, for

instance, what the Department of Public Service and Administration has been promoting, the multi-purpose service centres which are being piloted very successfully in the Northern Cape and in KwaZulu-Natal Provinces. They bring various services to the community to a certain locality, which is accessible to all members of the community. These can be services such as home affairs, security, police, education and so on.

BT: Is this only in rural areas?

SS: Both in rural and township areas. It is still a pilot at the moment but it will eventually have a tremendous impact.

It is part of the push to bring about the equitable distribution of services. The drive is led by the Department of Forestry and Water Affairs, in the provision of water in the rural areas. In KwaZulu-Natal, where I come from, it is quite significant. You see quite a number of rural communities which have access to piped water. Also the Department of Minerals and Energy is achieving much in collaboration with Eskom in providing electrification in the rural areas. In my own community outside Newcastle, KZN, where I was born, which is a typical rural community, and which was previously completely shut off from communications, there is now electricity, water and so on. When I visited there previously, I was always reminded of the difference between Pretoria, with its lights and good roads and so on, and my village, which was still in the middle ages with the only light provided by my car headlights. This was how it was until very recently.

But the last time I was there, in January this year, I found an entirely different picture. That rural village is electrified. My aunt who is 80 years old has water right in the yard, and that is a tremendous change. It is still not enough, but it is a step in the right direction. The same applies to housing which is being slowly rolled out. If we can get our service delivery oriented departments to employ the mechanism of co-operatives that would also add a great deal towards equitable distribution.

Corruption

BT: Ok, can I turn to the rather nasty topic of corruption. Both your report and the Ncholo Report of 1997 referred to significant corruption in the public service. What is the scale of it and what is being done about it?

SS: In our report we say there is a serious problem of corruption. But one should maintain perspective about this since there is corruption in the public service, in the private sector and in civil society and it is therefore a

national issue as well as an international issue. Corruption in the public service does not occur in isolation, it is very much interlinked and interrelated with what is happening in the private sector. From the perspective of the commission, this is also a constitutional imperative. The constitution requires that the public service must be founded on strong professional and ethical principles.

BT: Do you actually take cases to the prosecution if you discover something?

SS: We not only do that, but we receive cases ourselves at the Public Service Commission and in terms of our mandate we conduct investigations on quite a number of corruption cases that occur in the public service and we present reports to the executive authority for them to take appropriate action. I must say, a great number of these cases do not get published in the newspapers even though a lot is happening by way of dealing with corruption. The kinds of reports that we have produced have lead to very concrete action. In Mpumalanga, for instance, last year we carried out an extensive investigation on the theft of medicines in the hospitals and clinics and so on.

BT: So you are a kind of a public protector in a way?

SS: Yes, within the public service, but where matters are beyond our mandate, we pass them on to the Public Protector, and some get picked up by the Directorate of Public Prosecutions. The point that is made in the report is that, in dealing with corruption, you need a combination of combative enforcement actions and preventative actions. We like to think that in the long run, if one puts sufficient preventative measures in place, you won't have to be reacting to corruption on a large scale.

BT: What do you mean by preventative actions?

Code of Conduct

SS: Measures like promoting ethical behaviour through the codes of conduct. There is a code of conduct which we recommended in 1998 and the Minister of Public Service and Administration adopted that for the public services as a whole. That code of conduct for public servants is now in place and it has been implemented. It is gradually taking root, and we have supplemented that with workshops in the various provinces where, not only the civil servants, but even the premiers, have participated. The code of conduct has by now been distributed to all the provinces.

Other supplementary actions that are also designed to promote and reinforce ethical behaviour, are in the regulatory framework that is in place.

In the Public Service Regulations, for instance, in Chapter 2, there is a code of conduct. So, any breach of that code of conduct is punishable and there are various measures for dealing with that. Also Chapter 3 of the Public Service Regulations contains the mechanism of financial disclosures whereby the senior management service staff are required every year to disclose their financial standing, with regard to their shareholdings, directorships and so on.

We organised a national anti-corruption summit in 1999 in collaboration with parliament and other stakeholders in the private sector. One of the resolutions from the summit called for the creation of a national structure that will bring together the various sectors to address the issue of corruption. We have put that in place in the National Anti- Corruption Forum (NACF) on June 17, 2001 and it is up and running.

BT: You and I have both had experience in the rest of the continent. The big problem in countries like Nigeria, Ghana and Kenya is the downward spiral of corruption which begins to eat into the whole social fabric. Are we on a downward spiral, or are we improving?

SS: I think we are stabilising the situation. However, we are frequently asked whether there is sufficient political will to deal with corruption. I would say that at the top level, the president, ministers and so on, the political will is certainly there. But it is often the case that swift action is not practical since the legal processes take time and there is not much that government can do to expedite matters beyond the due process of the law. But we do have several instances where forthright decisive action has been taken against corruption.

We have had cases where DG's have been fired such as the DG at home affairs and the commissioner at correctional services. Also at intermediate levels within the public service we have put in place processes which brought about the necessary corrective action, whether it was dismissal, or whether it was a warning and so on. The investigations that we carried out have led to arrests and even as we are talking today, a number of such matters are being dealt with. So I think we are containing the situation. We are holding the tiger by the tail. We are not quite winning as yet, but we are certainly not fighting a losing battle.

Non-performance

BT: Well, that is very reassuring. Let me ask you a question as an MP. I have been in two constituencies and there are cases where public servants do not do their job even though a decision has been taken at the highest level, the money allocated and the community is on board. But nothing happens. What does an MP do?

SS: Well, we were talking about corruption, but there are also instances of downright mal-administration.

BT: The cases I am talking about are worse than mal-administration. There is outright obstruction. What do I do as an MP?

SS: You should document the case and refer it to the relevant minister at provincial or national level. You can even refer it to the Minister of Public Service and Administration and she would decide where it should fall. If it is a case involving corruption she might refer it to the Public Service Commission. If one can establish the existence of obstruction there is a very clear case of a charge for misconduct under the New Disciplinary Code and Procedures.

BT: But what does an MP do if the minister or the DG is not active in overcoming the obstruction?

SS: But both these persons are accountable to you under the Public Finance Management Act (PFMA) and through the portfolio committee.

In addition there are the institutions that support democracy - the Public Service Commission, the Public Protector, or the Auditor-General, and, depending on the issue, any of these could be approached. These are certainly issues that need to be dealt with. We in the commission compile reports on any of the issues that we investigate and we will report to the portfolio committee for Public Service and Administration. The Portfolio Committee is the oversight body as it were and we have discussed the problems of implementation, problems of compliance with it and that is an ongoing discussion. The portfolio committee is very receptive to that kind of problem and I would hope that sooner or later we will be able to find solutions to these problems.

RL: The portfolio committee deals with a number of different components which include the Department of Public Service and Administration, the South African Management Development Institution and ourselves. But we are not just like another department. We are actually a resource which they are can harness since we have a research capacity, an investigative capacity and a constitutional power, all of which are perhaps underutilised.

Furthermore, with respect to the measurement of performance and evaluation of government programmes, we have specifically mentioned powers in the constitution. We institute our own investigations and evaluations, but a portfolio committee could approach us with a particular request in order to empower itself in dealing with its special interests and

the relevant departments and we would then put together a report.

BT: Let me give you an example. In the Trade & Industry Portfolio Committee, there is a certain dissatisfaction with the pace of promotion of small business. Even the minister has been critical of the department on this issue. We know the objective difficulties and nobody glosses over that, but there is a feeling of frustration. Can that committee come to you and ask your help to set up performance targets?

RL: Well, procedurally, they may want to collaborate with the Public Service Administration Committee and then approach us jointly, but either way, I am sure, we would respond.

BT: But this never happens.

SS: No, but we have had requests from portfolio committees. We have had a request from Select Committee on Public Accounts (SCOPA) for example, some two years ago, when they picked up a problem from the Auditor-General's report that there was a great deal of wrongdoing with regard to sick leave which was actually draining the fiscus. Where we can deal with something we will do so, where it is beyond our mandate we will tell you.

BT: Well, that is very good news and I hope that every MP takes note of this and takes the necessary action.

SS: Another example relates to the extensive investigation we did at correctional services and we involved the Portfolio Committee on Correctional Services and they were extremely happy with that.

BT: What emerges out of this discussion is that MP's and parliament itself may not be using the institutions of the state adequately.

Can we turn to the issue of training which, according to the Ncholo Report, is inadequate. What is your approach to the question of enhancing the capacity of individuals?

RL: I think one needs to look at the training process itself, because there is a lot of training going on. People are constantly going on courses, but I think often the training is tokenist. There are also many conferences, sometimes costing as much as R7 000 for three days but which do not really achieve the objectives at all. So I think training needs to be better co-ordinated and more programmatic if it is going to be effective. And it should preferably be

on the job and related to the job.

SS: We have identified that in the area of ethical management there is a need for a training programme for senior managers and it should be related to performance agreements. This would enable them to deal with corruption.

BT: Let me turn to the question of affirmative action. In page 31 you say, the focus needs to shift to qualitative issues so that affirmative action does not undermine the quality of service delivery. I am not sure I understand that.

RL: The problem we have identified is not so much about numbers. We are striving to achieve targets but it is no use just trying to go for the numbers without putting people in an environment where they are able to perform. To appoint someone, and then to just leave them and expect them to perform, is quite problematic. You are bringing in people into a new public service environment with new systems and procedures and administration with which they are not familiar, and that poses challenges. That is why we need to capacitate people and really integrate them properly. In many cases people are quite capable, but they're just left out there to fend for themselves. So we really need to ensure that people are provided with the necessary environment and tools to succeed in the job.

SS: Sometimes there is pressure to comply with the affirmative action targets, which compels senior managers to be seen to be complying, but at the cost of quality. I have experienced this myself. Also, as we do the heads of department evaluations, and examine the reports that the senior managers put before us, we find, almost invariably, that in the section on human resource management, the emphasis is on the figures, but there is very little reflection on the quality.

When we conduct these evaluations we reflect on this question in our report to the minister concerned. By the way it is not only the commission that does the evaluation, we convene, in collaboration with the minister, a panel which might consist of a minister, a member of parliament, and somebody from the stakeholders in the department and that panel will make the appropriate recommendation. In most instances, the panel will comment on the state of compliance with affirmative action and the need for training.

RL: Perhaps I could share an insight with you from land affairs. When we looked at land affairs as a single department, we saw that the figures for affirmative action were moving towards the desired proportions. But when we began to unpack the data and looked at the different professions, we began to see an artificial element there. For example, in the sphere of

surveying, the professional association sets the industry standards and they do so in a way which, given historical training legacies, makes it very difficult for a black person to qualify to become a professional. That is where you get the skewing in terms of occupational categories and I think that is what we really need to start getting on top of more and more to make progress around affirmative action. There may be stalling when it comes to transforming the composition of, say for example, the deeds registries.

BT: Has the public service the capacity to spend the money we have?

SS: The public service that we are looking at is a service delivery oriented system involving public expenditure, social expenditure and so on. I would say that the capacity to spend the budget is a serious problem - but it is also not unique to South Africa. The problem of "absorptive capacity" has long been identified by economists in the developing countries. But we have the additional complexity of the first world South Africa as against the third world South Africa and this affects the way we do things. So I would say there is a real problem in regard to capacity to utilise the budgetary allocations appropriated by parliament.

BT: And is the PFMA an additional hurdle? Because some people say the PFMA is responsible for stalling spending?

SS: No I would not have thought that the PFMA was responsible for stalling spending. PFMA is an accountability instrument.

RL: I think programme and project management is a skill which is deficient. In managing service delivery processes, programme and project management becomes absolutely fundamental. Our systems are a bit out of gear there in that the PFMA requires a process of systematic budgeting, but it is not really performance budgeting in the sense that it mandates departments to express their budgets in terms of outputs and activities. So people develop management plans and budgets, but the interface between those two is often not adequate. So you have your plan, but how much your plan is actually going to cost you, is not accurately articulated now.

BT: But I would have thought that this would be the highest priority, because really spending for development on a project basis is the heart of the whole thing. Why is it that we have not got there yet?

SS: Well, perhaps one can say it is too early. There are several things we need to put in place to facilitate the developmental process, and ensure that projects are implemented. What the President has called the "multi skilled

community development workers" may be some of the critical ingredients that should be introduced.

BT: Tanzania did that.

SS: Absolutely, in all the African countries, with different levels of success, but that kind of input has proved to be very critical in ensuring that expenditures happens properly. What is critical is what is happening at the community level and you need people there who can read the environment, whether it is education, health, etc. and who are able to transmit it back to head office.

BT: We talk about a people-driven and a people-centered economy. Taking government as a whole, provincial, national and so on, do you feel that, (a) we have achieved even a reasonable level of civil society participation, and (b) that we are improving in that area and that that is what we want to do? Because you can do poverty alleviation without civil society participation, you can do it top down.

SS: In South Africa we have had very dramatic experiences with popular participation in action in the achievement of our political democracy. It was brought about as a result of popular participation. There is sufficient experience in civil society structures to take action. Various organs of government do put a great deal of emphasis both at provincial and national level to involve people in this process of development. But there is still a great deal to be done. There are various empowerment processes that are being employed and promoted by various departments, involving our people in this economic process. But you look at the bulk of our people in the urban and rural areas, you see glaring omissions there. So we still lack the mass involvement of people in economic activities.

This requires mechanisms like co-operatives. And we have got a tremendous potential for that. In housing for instance there is a tremendous potential for involving our people in acquiring housing. In the credit and finance area, we have a tremendous potential - we have not even touched it. The amount of savings that our people mobilise through "stokvels" is enormous, though they do that on behalf of the banks! That is the kind of mobilisation we can do to enable our people to get direct benefits. And this does not address issues like production and marketing, so there is still a tremendous potential.

BT: That is a very nice note to end on. Thank you very much for a very enlightening interview.

CIVIL SOCIETY AND GLOBALISATION

WORLD BANK PRESIDENTIAL FELLOWS LECTURE

By Kumi Naidoo, Secretary General
WORLD ALLIANCE FOR CITIZEN PARTICIPATION

Extracts from a paper presented at the World Bank
headquarters in Washington, DC, 10 February 2003

If someone had told me a decade ago, when I was working as a grassroots activist in South Africa, that I'd one day be invited to address the World Bank, I would have scoffed at them in disbelief. I would have been equally surprised if someone had suggested that one of the most inspirational figures in our liberation movement, Mamphela Ramphele, would be one of the managing directors of the World Bank during this time. So when I received the invitation to deliver a Presidential Fellows Lecture, I was somewhat astonished but also excited by the opportunity it presented.

My colleagues at CIVICUS must have noticed my nervousness as I started to prepare my comments. A few days ago I received a memo from them that contained some words of advice. In the spirit of transparency, I thought I should summarise for you some of the points from that memo.

1. Bear in mind there are mixed feelings about civil society engagement with the World Bank, both within civil society and inside the bank itself. There is scepticism on both sides about the costs, effectiveness and rationale for engagement.
2. A lot of people within civil society will be waiting to see what you say: your speech needs to reflect the views of a broad range of organisations and networks which have provided input.
3. Be careful about acronyms and civil society jargon. Internal civil society language like "indigenous resource mobilisation strategies", "horizontal and vertical accountability" and "501(c)(3)s" may turn off your audience. If you think you're losing them, toss in some references to PRSPs, HIPC and LICUS and hopefully they'll be drawn back in.
4. Stay away from jokes, stick to your notes and think about wearing a suit and tie instead of your favourite African shirt.
5. Finally, keep in mind your experience at Davos last month. Along with several other civil society groups, you took part in plenary panels and discussions inside the meeting, but also joined the demonstrations outside on the streets. You need to adopt the same approach at the bank - our role

has to be one of both constructive engagement from within and support for peaceful dissent from without. Good luck!!!

Problematising Globalisation

This last point actually provides a good starting point for my comments today. CIVICUS, along with several other civil society organisations, was in the somewhat unusual position of attending both the World Social Forum and the World Economic Forum last month. I say unusual, because the two events are often presented as completely antithetical to one another. Indeed, on the surface at least, they are strikingly different types of gatherings and many question how it is possible to engage with both processes. Yet at a basic level, both of these annual global meetings are grappling with three of the key issues of our day - namely globalisation and its manifold effects, the meaning and role of civil society and citizen participation, and challenges to effective governance at local, national and global levels.

In many ways, the World Social Forum in Porto Alegre can be understood as both a product of globalisation - and as its very embodiment. It is the much-discussed phenomenon of globalisation which provides the impetus for the WSF - and for the hundreds of similar events at the regional and national level that have been convened over the past several years. What has erroneously been called the "anti-globalisation" movement is ironically one of the most globalised movements of our time. Globalisation has drawn the people of the world into closer proximity with one another; it has intensified contact between them; lowered many - but by far not all - types of barriers to the movement of goods, ideas, technology and cultural products; and accelerated the pace at which information is shared.

It is the more benign aspects of globalisation that have made possible gatherings like the WSF, where tens of thousands of people from scores of countries organise themselves to descend upon a chosen destination at a given time, using e-mail and the Internet to co-ordinate everything from the programme schedule and travel arrangements, to the advance exchange of discussion papers.

Yet it is other aspects of globalisation which motivate these meetings to be called in the first place - it is the harsh contradictions of globalisation, its unevenness, its sheer cruelty that is driving people to join forces in collective efforts to discuss and debate ways to harness the forces of globalisation for the common good. These critiques of globalisation are now well known:

Globalisation is exacerbating global inequality, and its "rules" - to the extent we can call them that - appear to be driven by the rich at the expense of the poor. The relentless lauding of so-called "free trade" in fact masks a set of double

standards that protect certain markets in wealthy countries and deny poor and developing countries the chance to benefit from the most promising segments of their own economies. Globalisation, and the forces driving it, is throwing up a set of intractable challenges that brazenly cross national borders and which, by their very definition, defy national-level solutions. The spread of environmental degradation, HIV/AIDS, human trafficking, the drug trade and terrorism are all enabled by globalisation. At the same time, the momentum toward economic, political and cultural integration weakens the ability of national governments to take actions in the national interest. Globalisation is having a impact upon the role of elected representative institutions at the national level and is elevating powerful new actors, such as supranational governing institutions and transnational corporations. Local control over decision-making is rapidly shifting upwards to structures and processes that are not accountable to ordinary citizens.

Another contradiction of globalisation can be seen in the curtailment, particularly post-September 11, of what we might call "international civic mobility." As an African, travelling on an African passport and working at the global level, I often muse that if I were to write a book about my tenure at my current job, it would be called *Visas, Bloody Visas*. While cheaper travel has increased the movement of many, there has never before been the level of legal restriction on the movements of people from poor countries to rich countries, unless they have distinctive skills that the developed economies need.

Arguments about globalisation tend to occur in extreme terms - globalisation is often presented as either "all good" and full of promise for a better future, on one hand, or as irreparably flawed and diabolical, on the other. John Clark, in his forthcoming book: *Worlds Apart: Civil Society and the Battle for Ethical Globalisation* refers to these two camps as the "agony school" and the "ecstasy school." Yet globalisation is too complex and multi-faceted to be boiled down to a caricature. Independent surveys [2] conducted in Northern and Southern countries over the last two years reveal that citizens are ambivalent about globalisation: they hold generally favourable opinions about globalisation and global integration, yet they are highly anxious about growing inequality and the loss of local control. They are concerned about non-economic dimensions of globalisation as well, such as threats to local culture and the disappearance of indigenous languages.

The grassroots action we have been witnessing on the streets of Porto Alegre, in cyberspace, outside the headquarters of the World Bank and IMF, and on the roads and railways to Davos is emerging in direct response to a perception that, increasingly, important decisions affecting people's lives and well-being are being made in non-transparent ways in supranational institutions that are not accountable to citizens and not accessible to citizen engagement. Decisions

about trade rules, intellectual property rights, macro-economic restructuring policies, privatisation of vital public services, and debt relief are made behind closed doors in ways that are largely perceived to be undemocratic.

It is against this backdrop that the notion of "civil society" has re-entered mainstream discourse. Civil society is, of course, not a new concept, but it is one that has been re-discovered over the past decade with this rise in citizen activism. Unfortunately, in the media and in the minds of some people, views about civil society as a whole are often framed by the actions of its "un-civil" elements - groups who espouse violence and destruction, or who pursue racist or exclusionary goals. Activists are often portrayed as "radicals" who are not interested in dialogue.

I want to dispel this image. What the World Social Forum and recent global civil society gatherings have come to represent for many people around the world are spaces where the voices of average citizens "count" in discussions around social, political and economic justice. They are venues where people and groups who feel increasingly alienated from the prevailing global system can join together to explore alternative visions for a more ethical form of globalisation that works for the benefit of average people, rather than simply for the benefit of powerful interests.

Civil Society in the Context of Globalisation

Attempts to define civil society are often contested, but one way to think of it is in terms of activities that are undertaken for the public good by groups or individuals in the space between the family, the state and the market. This means that we must look today not only at non-governmental organisations (NGOs) - often taken as synonymous with civil society - but also at a rich array of heterogeneous civic elements that includes trade unions, foundations, faith-based and religious groups, community-based organisations, social movements and networks and ordinary citizens who are active in the public sphere.

It is often said that civil society burst onto the public stage at the Earth Summit in 1992. When the thousands of citizens who attended the Earth Summit left Rio, they did so with much optimism and a belief that an historical watershed had been achieved. In a way they were right: Rio was the first major conference where "civil society" became a prominent player at the global level. Since the Earth Summit, civil society has come into its own as an important political, social and economic actor. The last decade has witnessed a dramatic growth in the number of citizen groups, as well as in their capacity, scope, reach, public profile and influence. This "global associational revolution," as it has been called, is being driven by the same forces that are producing globalisation - democratisation, the spread of new technologies and global integration of various forms - but it is also reacting to

many of the effects of globalisation that I mentioned above.

Historically much of the work of civil society organisations, or CSOs, has occurred at a micro level, where they are involved in providing important services to vulnerable communities in areas as diverse as health care, education and professional training, legal advice, humanitarian relief, women's empowerment, technical assistance in agriculture and environmental protection, and so on. Civil society groups have often stepped into the uneasy vacuum of post-conflict situations and have compensated for the state - not uncontroversially - in the growing number of instances where vital public services have been rolled back due to macro-economic reforms.

Increasingly, however, civil society groups have recognised the need to rethink the well-known slogan "think globally, but act locally." Experience has shown that, in and of itself, acting locally will not get to the root causes of many social and economic problems - if the real locus of power is global, then there is a need to "think locally and act globally" as well. A growing number of CSOs have become actively engaged in advocacy work, campaigning and policy-making. Public campaigns on issues such as landmines, debt relief and the international criminal court have had a definable impact.

As civil society has matured, its credibility with outside audiences has grown. Many governments seek to harness the expertise and local knowledge of civil society groups in policy-making. High-profile civil society groups, particularly those working around environmental issues, have developed a certain "brand recognition". Their endorsements or criticisms of business practices, for example, carry weight with the public and have become an important force with which the private sector must reckon. Perhaps most importantly, civil society groups generally enjoy a high level of public trust - in fact, a recent survey revealed that, among 17 institutions ranging from national governments to educational systems to media and the legal system, NGOs are the institution most trusted by average citizens after their country's armed forces. [3]

The Challenges Facing Civil Society

Accordingly, civil society is attracting a new level of scrutiny in its role as a major public actor. It is being forced to grapple with both external and internal challenges, from those who are seeking to make civil society stronger and more credible, as well as from those who question its right to play certain roles. I would like to touch briefly upon five of these challenges.

The first is a challenge of power and power imbalances within civil society. The sector is vibrant and extremely diverse. It encompasses both major

transnational NGOs with multi-million dollar operating budgets and tiny citizen-based organisations with highly constrained resources, access to information and capacity. It embraces highly structured groups such as trade unions alongside loose issue-based social movements. While this diversity adds to the sector's richness, it also throws up fundamental questions about whose voices are heard and in which venues, how resources are accessed and distributed, and who is speaking for whom.

The second challenge internal to civil society is about bridging narrow interests and broader goals. Many civil society actors are committed to advancing a specific issue, whether this involves protecting rainforests, promoting fair labour practices or advancing women's rights. While recent civil society activity has been noteworthy for the alliances that have been formed among groups with different areas of interest, there remains a type of "silo mentality" which prevents CSOs from working across areas of speciality toward common goals.

For example, dialogue between human rights organisations and development organisations has historically been weak and many potentially productive synergies have evaded us. With many human rights organisations now embracing social and economic rights, and with many development organisations adopting a rights-based approach to their work, it is an opportune time to bridge this divide. The dichotomy between the world of volunteering (defined as the provision of direct services to communities in need) and the world of social activism (defined as those that are more concerned with structural and policy changes) remains a challenge. We also need to create an environment where, for example, NGOs rise to defend workers' rights of association in cases where trade union rights are threatened, and where trade unions vocally defend the rights of NGOs.

A third internal challenge for civil society is to articulate a coherent vision for a more just and equitable global system. One of the frequent criticisms of the so-called "anti-globalisation" movement, is that it is against everything imaginable, but not for anything discernible. Although many within the movement are working proactively for social and economic justice, civil society is challenged to move beyond debate and ad hoc mobilisations and to formulate a strategy for achieving its vision. The core issue, however, may not be an absence of alternative visions, but rather the fact that the world's powerful governments appear unwilling to engage with these alternatives. As an example, the 2001 study produced by Third World Network for the UNDP, entitled "The Multilateral Trading System: A Development Perspective", provides a detailed set of recommendations for transforming the international trade system into an instrument for balanced and equitable human development. Yet because they seek to redress power imbalances, such visions are often rejected out of hand.

The fourth challenge is one that emanates from outside civil society. The allegation is made that citizen activism threatens to undermine democratic systems by "short-circuiting" established procedures for decision-making. This is a critique that we in civil society vehemently reject. An active, engaged citizenry is essential for a healthy democratic society. We must resist the notion that elections equal democracy, that a victory at the ballot box is a blank check to rule without any interface and dialogue with citizens in-between election periods. To reduce democracy to the singular act of voting once every four or five years is clearly an error. Civic activism complements democratic practices and makes them more effective by drawing citizens more fully into public life and providing a constant check on official accountability.

Clearly, it does not make sense for political leaders to deprive themselves of the policy knowledge that civil society actors acquire from working directly with vulnerable communities. Who better to inform the drafting of a domestic violence law than women who work with survivors of such violence? Who better to inform the drafting of an adult literacy strategy than those who work day in and day out with adult learners in our communities? Who better to help craft a rural or urban development strategy than those working on the ground addressing these issues? Engagement with citizen voices leads to more effective policies that better address the concerns of primary and secondary stakeholders, that integrate innovative ideas and knowledge from the local level, and that result in greater impact and ownership within communities.

The fifth challenge is perhaps the most complex of all, and is heard both inside and outside civil society. Here I am referring to the challenge of legitimacy, and the related issues of transparency, representation and accountability.

Challenges to civil society's legitimacy come from many quarters. They are often voiced by national political leaders, and occasionally by prominent voices at global institutions. It is frequently said that civil society groups don't represent the views of anyone but themselves and that if they are accountable at all, it is usually "upward" to their funders, rather than "downward" to those they purportedly serve. Those that offer this critique sometimes evoke a range of derogatory acronyms to describe certain kinds of wannabe NGOs: BONGOs (business-organised NGOs), PONGOs (politically-organised NGOs), BRINGOs (Briefcase NGOs), DONGOs (donor-organised NGOs), GONGOs (government-organised NGOs), MONGOs (My own NGO) and RONGOs (royally-organised NGOs).

At the 2002 World Economic Forum, the then-Director General of the WTO, Mike Moore, said in a session that the WTO was only willing to engage with those civil society groups that operated in a transparent fashion, demonstrated accountability

and which were elected on the basis of a defined constituency. These are commendable criteria, and if the WTO applied this criteria rigorously to its member governments, WTO membership would be significantly smaller. Issues of legitimacy run both ways. When tens of thousands of citizens demonstrate against international institutions such as the WTO, the IMF and the World Bank in Seattle, Prague, Washington, Buenos Aires, Barcelona or Johannesburg, one has to wonder where the legitimacy of official institutions ends and civil society's begins.

Legitimacy cannot be taken for granted and must continuously be earned. And civil society groups are taking up this challenge head-on. Self-regulation mechanisms such as codes of ethics and standards of excellence have been adopted at the national level by civil society in several countries. A culture of transparency in governance structures is also gaining strength across the sector. Civil society groups work to derive mandates and legitimacy for their activities through extensive consultative processes.

There is also a powerful accountability factor at play with the functioning of CSOs, which I call the principle of "perform or perish." Not a single cent secured to undertake CSO activities is secured on the basis of obligation. Whether funding is derived from a government department, individual, foundation, business organisation or multi-lateral institution, resources will not continue to be available if civic organisations are not performing on the basis of their vision, mission and objectives. Most governments and inter-governmental organisations, to a lesser extent, are guaranteed a revenue flow from taxation or from countries' annual member contributions, even if performance is mediocre or substandard.

I would like to underscore, therefore, that the issue of civil society legitimacy is a valid one - particularly when it is voiced with an eye to building up the long-term credibility and effectiveness of civil society as an actor. All too frequently, however, the critique is lodged by those who would dismiss the right of civil society groups to give voice to citizen concerns and to engage in decision-making processes.

Civil Society, the Crisis of Governance and the "Democracy Deficit"

This view that government has a monopoly on truth and wisdom, I'm afraid, reflects an outdated notion of governance - one that sees it as the exclusive domain of governments. In the case of electoral systems, governance occurred through a system of representative democracy where citizens delegated votes to individuals who would represent them and leaders who would take decisions on their behalf.

It is rapidly becoming a truism that this old notion of governance is breaking down in an era of globalisation and with the emergence of a devastating "democracy

deficit" in several local and national contexts, and certainly at the global level. Surveys reveal declining levels of citizen trust in political institutions. In many democratic systems "form" has largely overtaken the "substance" of democracy: elections may be held, but fewer and fewer people are choosing to vote and the meaningful interface between citizens and the elected is minimal between election periods. Affiliation with traditional political parties is on the decline as the parties themselves are characterised by a lack of internal democracy or fail to address issues that citizens believe are important. The influence of monied interests in many political systems is also turning citizens away from traditional engagement in favour of new forms of participation.

Although faith in traditional political institutions is waning, this should not be taken as a sign of citizen apathy. On the contrary, people are finding new and more direct ways to get involved in public life and decision-making - marking a shift from representative democracy to what is often called participatory democracy. Citizens are arguing for a new notion of governance that requires political leadership to engage with citizenry in ways that allow for ongoing input into decision-making and policy formation.

These new models take many forms, ranging from concerted attempts to build public-private partnerships to the establishment of transparency and oversight mechanisms which allow civil society groups to play quasi-regulatory or watchdog functions. The Social Watch network based in Uruguay is an excellent example of how civil society groups have taken the initiative to monitor progress on international commitments and to report publicly on findings. This type of public accountability mechanism is now widely regarded as an essential part of good governance.

Finally, civil society groups are slowly carving out a more active role in actual decision-making processes, as witnessed in their direct participation over the last decade in UN conferences with some national governments including civil society participants in their delegations. Certain innovative international commissions involve civil society groups as equal stakeholders in policy-making, rather than in an after-the-fact consultative role.

While the space for civic participation in the global policy-making environment is growing, however, the overall picture overwhelmingly remains one where citizen voices are marginalised or are belatedly solicited after key decisions have been taken.

For example, the constrained status of CSO engagement can be seen in the case of the Millennium Development Goals, perhaps the most important and ambitious development initiative of our time. Although hundreds of CSOs actively campaign

around the issues that have been targeted in the MDGs, there was no significant role for civil society in the development of these goals. Civil society engagement in their implementation will be conditional on a country-by-country process of national-level goal-setting that will take place long after the overall campaign has been conceptualised and structured. If the Millennium Goals are to be achieved, ordinary citizens around the world must feel a true sense of ownership and must be willing to campaign to hold their governments accountable to them. This can only happen if the MDGs are "owned" by the people and not appropriated by elements of the international system.

Yes, we need the determined commitment and active backing of the multilateral institutions, but this must be done in such a way that the MDG campaign does not come to be seen solely as the UNDP's or World Bank's "baby," since this will alienate large segments of civil society, as well as many national governments.

If we were to ask ourselves to name the single most important act that a national government engages in annually, we would most probably agree that it is drawing up the national budget. In analysing budgets, we can see the extent to which a government values children, gender equality, older people, education and so forth. However, when we look at the level of influence that parliamentarians have in the budgeting process, let alone that of civil society, it is frighteningly minimal in many systems of governance. What does this say therefore about the quality of governance and the strength of democracy?

If we reflect on the current position taken by certain governments with regard to the situation in Iraq, we find clear instances where governments are blatantly disregarding the views of their backbench MPs, ignoring the views of their citizenry and, in some cases, crassly manipulating arguments and supposed "evidence" to support a military intervention that could provoke a devastating humanitarian crisis and that threatens to polarise the world's peoples even further.

To understand the voicelessness that so many citizens feel, we perhaps need to look more deeply at the discourse around social exclusion. In the coming decades humanity should judge itself not on the basis of the progress made by the most privileged sections, but on the basis of the progress made by those that have been historically marginalised. This includes not only uncontested minority communities, such as people living with HIV/AIDS, people with disabilities, racial, ethnic, religious and cultural minorities, indigenous peoples, people with alternative sexual orientations, people who are not literate and so on. It also should include constituencies not often thought of as minorities per se.

Young people are becoming increasingly alienated from public life. On my

continent, given the decimation being caused by HIV/AIDS and the fundamental impact it is having on our demography, in very real ways young people are not simply the leaders of tomorrow, but are the leaders of today as well. We must also consider older people and take note of the levels of alienation they feel and the fact that we deprive ourselves of their experiential wisdom. We must acknowledge the scandalous fact that, after decades of activism for full gender equality, women still occupy on average less than 10 percent of leadership positions in government and business. What does it say about the quality of our democracy when women are so heavily under-represented even in long-standing democratic countries, let alone in those that are fledgling democracies? When we add this all up, it becomes increasingly difficult to deny that democratic voice does not prevail in public life and that we are facing a serious "democracy deficit" on multiple levels.

We do not suggest that civil society is intrinsically good and that governments are intrinsically bad. That is far too simplistic a position to take. However, we need to recognise that effective democracy needs a vibrant civil society as well as an effective and accountable government. Both face struggles of accountability, but they bring a vital diversity to governance and provide complementarity and mutual accountability systems. We can anticipate that this arena will always be contested - but this should strengthen democratic practice, rather than weaken it.

Democratising Global Institutions and Governance

Given the shift of power from national to global levels, it has become a critical priority for civil society to be engaging at a global level, yet it is here that the "democracy deficit" is felt most strongly. Many of the global institutions that have become increasingly powerful in our current age were constructed at a particular moment in world history that is a far cry from the context in which we currently find ourselves. The geopolitics of 1945 continue to dominate the governance structures of key institutions, even at this point well into the post-colonial era. We need to concede that many of these public institutions appear to be operating under rules and logic that are not in keeping with the realities that citizens confront around the world today.

The World Bank probably leads its peers in terms of its openness to engagement with stakeholders, including civil society. Participatory approaches to development have been integrated into many of the bank's operational policies and the bank has undertaken major staffing commitments that support the demands for broader engagement with civil society in both its country offices and international headquarters.

These efforts have not gone unnoticed and I want to commend you for them. However I would be remiss if I did not underscore how much still remains to be done. You will certainly be aware of the external challenges to your legitimacy, in

much the same way that we in civil society are aware of challenges to our role.

Citizen groups point to a continued lack of transparency in terms of information disclosure, accountability to the global public, and governance structures that are not based on democratic principles. Issue-based campaigning groups note a gap between "rhetoric" and "reality" in terms of an institutional promise to end poverty and policies that continue to be driven by the largely discredited neo-liberal Washington Consensus, despite the myth of its demise. Civic groups argue that these policies have shown themselves to be bankrupt and largely ineffective and that the bank should own up to this more honestly and engage more robustly with alternative proposals being put forth by civil society. Instead, we continue to witness the extension of market principles into more and more realms and a stubborn reluctance to rethink the TINA (There Is No Alternative) principle. Incidentally, in my part of the world, there is a Zulu name, THEMBA, which means hope. We use this to remind ourselves that "There Must Be An Alternative." There is frustration on the part of many civil society groups over the bank's reluctance to "move with the times" and to introduce a rights-based approach to its operations. Women's rights organisations cite the bank's limited efforts to mainstream gender equality into its policies and operations. Civil society groups that have been part of bank-civil society dialogues note the very uneven track record in terms of bank-civil society engagement and the crucial difference between "forms" of participation and the quality of contact. They would encourage the implementation of a participatory "audit" process to assess the successes and shortcomings of engagement to date and to create new spaces for "constructive critique," separate from advocacy work, that are neither confrontational nor co-opted.

This challenge of finding meaningful forms of engagement cannot be overemphasised. Creating channels of access should not be confused with establishing truly participatory procedures. The Poverty Reduction Strategy Papers (PRSPs) are a good case in point. The decision to link donor support to PRSPs is in part a response to the global changes discussed earlier, the evolving role of civil society, and the recognition of the need for greater local ownership with citizen involvement. PRSPs, however imperfect, are providing new opportunities for citizens to engage in policymaking. But in order to realise the promise of the PRSPs, the bank, its member governments and the donor community will have to do much more to realign their processes and support and give citizen participation the weight it deserves - it shouldn't be optional, or ad hoc, or simply an add-on late in the process. It needs to be supported by capacity building for citizen groups to engage with governments and for governments to engage with civil society, through transparency, communications, supportive laws and regulations for freedom of association, and fundraising.

This is critically urgent since many civil society voices are beginning to lose faith in the PRSP processes. The director of one European development agency has noted that the PRSPs are supposed to be locally owned concepts and processes, but in our view this hardly ever happens effectively. Particularly, civil society is sometimes not consulted, sometimes as a last minute afterthought. In some countries, such as Bolivia, the more policy-oriented national CSOs with know how have been passed up for "grass-roots" consultations, which has actually divided civil society and left the national NGOs being told they do not sufficiently represent "the people". This also meant that the more operationally focused local NGOs were an easier and less critical "consultation partner" for the government. We believe the PRSP process in principle is excellent - but the reality is very slow, and not giving us much hope at the moment, especially if we factor issues like gender and diversity into the formula.

We cannot trivialise the complexity of meaningful participatory processes. Naturally, these processes generate thorny issues, such as the availability of financial and time resources, choices about participants, and the overall transparency of the processes themselves. However, as James Wolfensohn has remarked: "If we fail to allow the time to genuinely open the process to different development actors and to the poor themselves, in the design, implementation and monitoring of poverty reduction strategies we might win some immediate battles, but we'd lose the long-run war to develop the accountable institutions that are essential to poverty reduction. Drafting strategy papers in Washington that are subsequently signed off by governments in the name of the people should be a thing of the past." [4]

This high-level public commitment to participatory processes is laudable, and also needs to be mainstreamed into the many programmes the World Bank is involved in. It is encouraging to see the bank supporting viable and innovative examples of participatory decision-making processes, such as the well-known municipal budgeting process in Porto Alegre. Yet these kinds of principles do not seem to have been internalised into decision-making processes within the bank itself. Where are the alternatives voices, let alone the voices of the poor? In order to become an "accountable institution that is essential to poverty reduction," as President Wolfensohn has rightly advocated, the bank needs to be willing to bring its own decision-making processes into line with those it is encouraging its clients to use.

Democratising individual global governance institutions such as the United Nations, World Bank, IMF and WTO is a challenge that requires serious and urgent attention. As far as the World Bank and the IMF are concerned, the UK Secretary of State for International Development has referred to certain aspects of current governance arrangements as an outrage, particularly the fact that

Europe and the United States essentially control the leadership selection process. The bank and IMF are now less dependent upon contributions from rich countries than they once were, and it is essential that their governance structures be changed radically to reflect these shifts. Admittedly, the ball here rests in the court of the rich countries that exercise a disproportionate level of influence, and there are serious questions about the political will that exists to make bank governance more equitable. I would urge the wealthy countries who will determine whether these changes happen or not to give their serious backing to the Development Committee of the World Bank to consider some visionary proposals at the Spring Meetings in April. It would be disastrous if we lose this opportunity to deal with, amongst other things, the severe under-representation of developing countries on the board of the bank. The World Bank is not just any ordinary bank, but a global public institution with a global mandate to help create a world free of poverty.

Thomas Jefferson, the architect of the US Constitution, once said: "I am certainly not an advocate for frequent changes in laws and constitutions. But laws and constitutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also, and keep pace with the times."

It is naïve to expect that institutions constructed almost sixty years ago, in a different global context, can be made more appropriate and relevant to our age with only minor changes. We can agree with Jefferson that we do not want to take the changing of institutions too lightly, but clearly the time has come for a revamping of global governance institutions within a more visionary framework that puts the interests of people at the centre of our deliberations aimed at substantive institutional change.

Eveline Herfkens, the executive coordinator of the UN's Millennium Development Goals Campaign, former Dutch development minister and executive director of the World Bank, correctly contends that four key deficits must be addressed if globalisation is ever to work for the world's poor: deficits of regulation of the global economy, of democracy, of coherence among the global institutions, and of financing. These are challenges that must be met, for the alternatives are truly unthinkable.

Final Thoughts

Few would contest that we are in the midst of one of the most volatile and dangerous periods of world history. New threats to our security - both natural and human-made - challenge us as never before to find common ground in pursuit of social justice and sustainable development. I would argue that, if this is to be

successful in the long run, we are facing a double challenge of reinventing democracy, along the lines discussed today, and reinventing a viable, equitable and just economic system that is premised less on the imperative of crude economic growth and more on a model of economic development that marries environmental sustainability, poverty eradication and broad-based development. Failure to insert notions of justice, equity and fairness into this process will be fatal indeed.

The gap in inequality is growing, and with it, the space for dialogue and common ground may be shrinking irrevocably. The recent public assertion by none other than the UK Trade Secretary that there is an incontrovertible link between peace and prosperity, between destitution, war, conflict and terrorism - is an unusually explicit one for a top figure in a wealthy government. But Patricia Hewitt's remarks echo the concerns of hundreds of thousands of us in civil society who fear the consequences if current trends are allowed to continue unchecked.

One of the challenges that we face in this process is not to allow current institutional limitations to constrain our ability to envision a different kind of global governance framework. We have to pose some bold questions about the fundamental changes that are needed to create a framework that is more fair and equitable than the one we are currently working within, and that has a realistic chance of supporting initiatives such as the Millennium Development Goals. We must question the prevailing logic of a system that energetically enables the movement of capital, but not of people, across boundaries; a financial system that essentially rewards unemployment and consolidates a notion of jobless growth; a system that rewards rampant over-consumption rather than grappling with the more complex challenge of sustainable development.

Our vision should be of a world where citizens and the groups they choose to organise are regarded as legitimate stakeholders, not only by the public, among whom they already enjoy high levels of trust, but by governance institutions who value engagement and recognise the many benefits it brings.

Our vision should be of a world where those of us who are serious about the long term future of this planet address these questions - difficult and as admittedly intractable as they are - honestly, courageously and with a commitment to ensuring that the views of not only government and business are considered, but also those of citizen groups working at the local, national and global levels.

Failure to do this will leave us charged by future generations with tinkering with incremental adjustments here and there, when what was required and needed was a fundamental rethinking of an international governance architecture that is rooted in notions of democracy, social and economic justice and sustainability.

In conclusion, let me urge you to recognise that we all face the challenge of doing our work in our different institutional environments in ways that respect and value the integrity, wisdom and contributions that the poor themselves can bring to the development process. The poor should be considered as full citizens and not simply victims, as full citizens and not simply recipients, as full citizens and not merely beneficiaries or charity cases. If there is one message you take with you today, it should be that every single human being that walks this planet has the potential to make a positive contribution to public life. The challenge for all of us as citizens is to ensure that we create just, meaningful and relevant ways in which this contribution can be harnessed for the public good. Unless we put people, and particularly those that have been historically excluded, at the centre of public life, our development goals will continue to evade us.

Endnotes

- [1] The author would like to thank the groups and individuals who provided valuable input into the preparation of this lecture, but takes full responsibility for the content and views expressed herein: Peter Bakvis (ICFTU), Roberto Bissio (Social Watch), Sylvia Borren (NOVIB), Peter Brey (Terres des Hommes), Rob Buchanan (Council on Foundations), Didier Cherpitel (IFRC), John Clark (Centre for Civil Society, LSE), Leslie Fields (Friends of the Earth), Alan Fowler (ISTR), Vicente Garcia-Delgado (Chief Representative of CIVICUS to the United Nations in New York), Yao Graham (Third World Network), Eveline Herfkens (UN MDG Executive Coordinator), Dean Hirsch (World Vision), Azza Karam (WCRP), Joanna Kerr (AWID), Sammy Keter (ITDG), Irene Khan (Amnesty International), Claude Martin (WWF International), Mary McClymont (InterAction), Elena McCollim (InterAction), Yolanda Navarro (IUCN), Bobby Peek (Friends of the Earth), Liliana Proskuryakova (ECA), Morten Rostrup (MSF), Salil Shetty (ActionAid), Achim Steiner (IUCN), Phil Twyford (Oxfam), John Waugh (IUCN), Alan Whaites (WorldVision), Alex Wilks (Bretton Woods Project), and June Zeitlin (WEDO). I would also like to gratefully acknowledge the assistance of the staff and board of CIVICUS, particularly our senior policy analyst, Karen Birdsall.
- [2] Environics survey, 2001 and 2002. [3] Study completed by the Canadian firm Environics and launched at the World Economic and Social Forums in January 2003. [4] James Wolfensohn in *Voices and Choices at a Macro Level: Participation in Country-owned Poverty Reduction Strategies*, edited by Parmesh Shah and Deborah Youssef, February 2002, World Bank. p. 1. Back to Civil Society Home

THE NEW BI-POLAR WORLD

By Hazel Henderson

Author of *Beyond Globalization, Building a Win-Win World* and other books

George W. Bush and the band of reckless hawks that captured his presidency have created a new bi-polar world: the US versus the United Nations and most of its members states. Apart from Britain, the "coalition of the willing" represents a motley group of states unwilling or unable to commit troops or resources, and in some cases, those whose support has been coerced or bought.

The unjustified US war on Iraq must be brought to an end before more innocent lives are lost. As a patriotic US citizen, I have long spoken out, and written against, the misguided ideologies that led to this unjust war. I join the many millions in the US and around the world protesting and asking how the US - once a beacon to those seeking a better world, democracy, the rule of law, economic opportunity and individual self-realisation - could have turned into a self-appointed, over-militarised globocop claiming the preemptive right to bomb and attack other nations it deems "evil"?

Of course, there is much evil in the world and there are many dictators, including Saddam Hussein, Kim Jong Il of North Korea and others. Terrorism is also a threat, which has now increased enormously as a result of the war, as some Bush cabinet members now admit.

But how did an educated, developed, democratic nation like the US, come to be led by a misguided administration whose president sees our complex world through a prism of simple-minded slogans? Other nations are "with us or against us." Iraq, which could have been disarmed peacefully, is just the first domino in Bush's "axis of evil" in the "war to rid the world of evil". Like many politicians throughout history, war has increased Bush's popularity.

Some of the reasons my beloved country has strayed from its former role as champion of multilateralism and the rule of international law include:

- ▼ The US democracy has been gradually undermined by the rise of corporate power. Today, the Congress is dominated by powerful lobbies, well-heeled special interest groups and thereby corrupted by money. Both Republicans and Democrats are minority parties - each garnering about 30 percent of votes cast - while the other 40 percent of voters register as "independents" but without a third party. After the disastrous stalemated election of 2000,

Bush, who had lost the popular vote, was "selected" by the Republican-dominated Supreme Court.

- ▼ The corporate takeover in the US and its culture of "winner-take-all", revealed following the collapse of Enron, has been the subject of endless press coverage, public hearings, lawsuits and public outrage. Yet few reforms, watered down by intense lobbying by interested industries, have been achieved. The administration's deep corporate connections, initially a boast of George W. Bush, are now a source of embarrassment and covered up with media "spin". For example, the lawsuit brought by Congress's General Accounting Office demanding the records of Vice President Dick Cheney (former CEO of Halliburton) of his many closed meetings with Enron and other energy companies in devising Bush's National Energy Plan, was quashed.
- ▼ The conglomeration of mass media in giant corporations, which is accelerating under Republican control of the Federal Communications Commission (FCC), chaired by free-marketeer Michael Powell, son of Secretary of State Colin Powell. Media deregulation, pushed further by corporate owners since their Telecommunications Act of 1996, has narrowed choice and further trivialised news and content. This "commercial censorship" reduced coverage of public affairs and news unfavorable to advertisers' interests and their goals of reaching the lowest common denominator audiences with sports, shopping channels, infomercials, "reality" and game shows. The Pentagon controls the coverage of the war on Iraq via training and "embedding" journalists within the defense department's force structure, frequent press briefings and repeated gory re-runs of Saddam Hussein's many atrocities. The war is ubiquitously covered as ceaseless images of explosions, racing tanks, heroic soldiers - almost a video game of "good guys and bad guys". For overviews and analyses, one must find BBC radio on the Internet and a smattering of independent websites, such as www.globalvision.org, www.indymedia.org, www.vaiw.org, and others run by US veterans groups opposed to the war on Iraq. Dissent against Bush's war is relegated to comedy shows and call-in programmes on C-SPAN (a network covering Congress run by the cable TV industry).

The Center for Public Integrity (www.publicintegrity.org) broke the story of widespread conflicts of interest and war profiteering within the Pentagon's Defense Policy Board (DPB). This led Richard Perle, longtime Bush advisor and "hawk" to resign as its chair. DPB's 30 members who advise Donald Rumsfeld include nine with ties to companies that have won over \$76 billion in defence contracts in 2001 and 2002. Perle advises (for a \$600 000 fee) the bankrupt Global Crossing Ltd; clients of Goldman Sachs on investment opportunities in post-war Iraq and has ties with other Pentagon contractors. So far, Rumsfeld has not asked Perle to step down from the DPB. Other DPB members with ties to

Pentagon contractors include Rear Admiral David Jeremiah; Rear Admiral Ronald Fogelman; former CIA Director James Woolsey, now a V.P. of Booz Allen Hamilton; former defence secretaries Harold Brown and James Slesinger and four registered lobbyists. These include Chris Williams, former aide to Rumsfeld and Senator Trent Lott, who now lobbies for Johnston & Associates, whose clients include Lockheed Martin, Northrup Grumman, TRW and Boeing. Other DPB members are Henry Kissinger, Newt Gingrich, former US Vice President, Dan Quayle and other well-known conservatives.

No wonder the US public is confused, divided and misinformed. The people were also kept in the dark about the cost of the war on Iraq until after it started. Bush, facing growing deficits due in part to his tax cuts, tried to force his FY 2004 budget (with another \$600 billion in tax cuts for investors) through Congress before divulging his request for an additional \$75 billion for the first six months of the war. People were assured that Bush's global war would require no sacrifices on their part; told to continue shopping, travelling, going to ballgames and living the American way of life.

Now most states are facing budget crises and are cutting education, health and human services, with no help from the now deficit-ridden federal government. Far from the promised "guns and butter," middle-class families are now facing a new "guns versus bread" scenario, as unemployment levels rise and the economy continues to sag. Deputy Secretary of Defense Paul Wolfowitz (architect with Richard Perle of the administration's September, 2002 doctrine of pre-emptive strike) also misinformed the public. Wolfowitz claimed, along with Bush's official view, that an Iraq war would be swift and that: "The Iraqi people understand what this crisis is about. Like the people of France in the 1940s, they view us as their hoped-for liberation".

Bush's Iraq war is now revealed by events and a growing number of critics as contradictory to his demands that the UN return inspectors to Iraq, and further confused with his ever-changing rationales and short-sighted, hamfisted diplomacy. The group of "hawks" that many believe hijacked Bush's foreign policy - Cheney, Rumsfeld, Wolfowitz, Perle and less-well known members, Elliott Abrams, Richard Bolton, Ken Adelman and others - are becoming visible and discredited. Bush fired his economic advisors Lawrence Lindsay (for revealing in 2002 that a war on Iraq might cost up to \$200 billion) and Paul O'Niell, former Treasury Secretary (who dismissed the enormous US trade deficit as a "meaningless concept"). Now Bush needs to fire Deputy Secretary Paul Wolfowitz, whose advice has proved so misguided and inaccurate.

All these tragic circumstances reveal the flaws in US-style democracy, which

relies so heavily on a free press to act as the Fourth Estate, to balance and check the power of the President, the Congress and the Courts. If a free mass media does not, as Thomas Jefferson warned, "inform the consent of the governed", democracy fails. The new Patriot Act, along with the new Homeland Security bureaucracy, continue to erode press freedom and individual civil liberties with more surveillance, secrecy, arbitrary arrests and detentions.

Furthermore, the US economy remains in dire straits with a still-falling dollar, a trade deficit of 5.2 percent of GDP; heavily-indebted corporate and consumer sectors, vulnerable to \$30 a barrel oil and OPEC's big retaliatory card: redenominating its oil in euros. The best way to restore the widespread global goodwill toward the US demonstrated after 9/11 is to bring the war on Iraq to a swift end, re-commit the US to its historic multilateralist role and its support of the UN; assure that constituting popular governance and reconstruction of Iraq are under a UN mandate and that no US corporations or oil interests, such as Halliburton and others with administration ties, are allowed any preferential access to contracts. All this may take a regime change in the US in the elections of 2004.

INTERNATIONAL CRIMES AND GROSS HUMAN RIGHTS OFFENCES

By Shadrack Gutto

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Abstract

Modern globalisation, in reality the current phase of global expansion and re-positioning of the dominant world capitalist system, is generating pressures for new forms of legal regulation and responsibility of states, corporations and individuals. In the fields of international criminal law and international human rights law, there has recently emerged new interest in invoking the principle of individual responsibility in national judicial forums based on "universal jurisdiction" and supplemented by the jurisdiction of international judicial bodies. The central argument in this piece is that there appears to be insufficient attention being paid to social and economic crimes that devastate Africa and its peoples, in addition to the playing down of the need to hold corporate actors responsible for serious international crimes and gross human rights offences. It is suggested that universal jurisdiction and accountability for gross human rights offences before international judicial bodies should pursue:

- ▼ the imperative of expanding/extending the category of gross human rights offences and serious international crimes to include economic and social crimes involving inappropriate and harmful policies, plunder, pillage and corruption; and
- ▼ the need for expanding/extending the category of persons who should be held responsible to include states (foreign and African), powerful corporate and individual private actors, investors, development aid institutions and international financial institutions.

Limitations in the crimes and gross human rights offences currently recognised under universal jurisdiction

Universal jurisdiction is an international law principle that requires national legal systems to punish those responsible for serious international crimes and gross human rights offences, failing which there is an obligation to extradite or surrender the suspect or the accused to either another national jurisdiction or an international tribunal. African countries have recently been actively involved in the construction of the Rome Statute of the International Criminal Court of 1998. Quite a number of them have ratified the statute. Article 1 of the Rome Statute provides for the principle of universal jurisdiction.

At the regional level, the Constitutive Act of the African Union expressly provides for the right of the union to intervene in African countries where genocide, war crimes and crimes against humanity are likely to occur or are being committed¹. Genocide, war crimes and crimes against humanity constitute the core of crimes that the Rome State deals with. They are crimes recognised in various human rights and humanitarian treaties since 1948.

The crime of aggression has been put in abeyance. According to the Rome Statute the crime of aggression will be only considered after the International Criminal Court (ICC) has commenced its work (Article 5(1)(d) read with Articles 5(2) and 121 and 123). This is not accidental. It is the militarily and economically weak who are perennial victims of the crime of aggression committed by those who are global powers, especially those with permanent seats in the Security Council of the United Nations (USA, UK and Germany, France, the Republic of China and Russia).

The manner in which genocide, war crimes and crimes against humanity are defined in the Rome Statute and the specific treaties suggest that the primary objective is to deal with crimes committed in situations of armed conflict. This is despite the fact that acts of commission or omission that constitute genocide, crimes against humanity and even "war crimes" also take place in peacetime. Further, there is too much emphasis on establishing the "intention" of the alleged perpetrators (the accused). The impact of the acts and not only the "intention" should be a material consideration.

Reasons behind the limitations

The explanations for the limitations identified in current approaches to universal jurisdiction and accountability before international tribunals for serious international crimes and gross violation of human rights lie in the protection of national sovereignty by powerful states (the crime of aggression case) and the apparent insufficient human rights based approach.

Although the Rome Statute expressly requires that its interpretation must be human rights compliant (Article 21(3)), it incorporates crimes that are essentially directed at physical harm to the person and less at those which cause harm to the person, communities and their living environment.

Modern human rights are not only civil and political rights, as the current content of crimes subject to universal jurisdiction suggest. Since the adoption of the Universal Declaration on Human Rights in 1948, human rights have been, and continue to be, understood to include not only *civil liberties and political rights* but also *economic, social and cultural rights*. This is demonstrated clearly in both

international and regional human rights treaties. But human rights have developed even further. *Collective solidarity rights* are recognised, promoted and protected. Collective solidarity rights include:

- ▼ environmental and ecological rights (*African Charter on Human and Peoples Rights* (1981), Article 24; *Additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights*, (1988), Article 11);
- ▼ the right to peace and security (*African Charter*, above, Article 23); and
- ▼ the right to political or cultural and economic self-determination (Common Article 1 in the *International Covenant on Civil and Political Rights* and the *International Covenant on Economic, Social and Cultural Rights*).

Modern human rights also recognises *specific group rights* such as those applicable to women² and children³ or to vulnerable minority populations such as indigenous peoples⁴, refugees⁵, migrant workers that form an integral part of modern human rights.

There are also international human rights instruments (legal documents) that deal with *specific themes* such as genocide and torture and other forms of cruel or inhuman and degrading treatment of human beings⁷.

Some categories of modern human rights apply specifically to *armed conflict situations*⁸ and as such reinforce (but do not exclude the application of) the other mentioned categories of human rights. Presently, the crimes recognised in the Rome Statute are drawn mainly from these thematic and armed conflict situation categories of human rights.

In 1993, the international community endorsed the important principle that human rights are "universal, indivisible and interdependent and interrelated" and that the international community "must treat human rights globally in a fair and equal manner"⁹. The latter is a call for a holistic and integrated approach to human rights. The principle of universality of human rights is often confused with uniformity that it is not. This is a subject for a separate debate.

Modern human rights, including human dignity, apply to *relations between the state and individuals or groups of people* (the so-called vertical application) as well as among individuals or groups of people (the so-called horizontal application)¹⁰. This is the basis for the argument that there should be responsibility of states and non-state actors (natural and corporate individuals and entities) for violation and denial of human rights.

It is imperative to point out also that modern human rights do not only prohibit

certain acts, such as torture or unjustified curtailment of freedom of expression. Human rights go further in requiring that the state and society should ensure the creation of conditions that facilitate equitable access to socio-economic resources and services, such as education, housing and shelter, clean water and basic healthcare¹¹. This new paradigm implies that human concerns should be addressed not only by focusing on *violations* but also on *denial*. Failure to carry out obligations amounts to the denial of rights and freedoms.

A human rights approach to defining the scope of serious international crimes for purposes of universal jurisdiction must take into account the depth and richness of human rights and not only a few carefully selected areas that are convenient to the powerful.

By way of a conclusion: some specific recommendations:

The expansion of, and complexity in, the modern world economic order requires regulatory systems and enforcement mechanisms that are based on the recognition of the competencies and limitations of national legal systems. It is in this regard that deepening and strengthening of universal jurisdiction as well as the international judicial machinery are imperative. It is recommended that the existing narrow definitions of aspects of the crimes already recognised in the Rome Statute should be expanded. The following should be prioritised:

- ▼ serious economic, social and cultural crimes, including the imposition of or advice on harmful socio-economic policies and programmes;
- ▼ exclusion of communities from meaningful and beneficial direct participation in developmental initiatives by the state or private investors;
- ▼ mining, harvesting and trading in natural and mineral resources in situations of armed conflict;
- ▼ serious ecological and environmental damage¹²;
- ▼ serious crimes related to drug smuggling and sale;
- ▼ crimes related to trafficking in human beings;

- ▼ serious corruption-related crimes¹³;

- ▼ pillaging and spoliation¹⁴; and
- ▼ individual appropriation and transferral of national wealth abroad or the receiving and acceptance of such wealth privately or as part of a business transaction.

In all these and similar cases, individual and corporate criminal responsibility - should apply. In general, there already exist legal standards regulating corporate liability for gross human rights offences that needs to be developed¹⁵. There is therefore no justification why "individual responsibility" under universal jurisdiction

should focus only on natural persons and not on corporate and other juridical entities.

For offences and human rights violations involving corruption, both the givers and takers must be targeted the focus on "takers" in corrupt practices alone has often shielded the "givers", both local and foreign, state and non-state. The recent decision by the High Court of the Kingdom of Lesotho convicting an agent for a Canadian-based international engineering firm of bribery in order to induce the securing of contracts and other privileges points in the right direction¹⁶.

It is also imperative that appropriate emphasis be put on the principles of substantive justice in holding the perpetrators responsible and addressing the wrongs they have caused. At the very minimum, this requires not only that the perpetrators be "punished" and "reformed" but that the victims be given *just and equitable redress* as well. Just and equitable redress for the victim of crimes and gross human violations has traditionally taken second place to the punishment of the perpetrators, with the result that the legitimacy of legal remedies is often viewed as deficient in providing "justice" On paper, at least, there is indeed legal recognition of the need for effective remedies to victims¹⁷.

¹ *Constitutive Act of the African Union*, 11 July 2000, Article 4 (h).

² *Convention on the Elimination of All Forms of Discrimination against Women*, 1979, entry into force in 1981.

³ *African Charter on the Rights and Welfare of the Child*, 1990.

⁴ *ILO No 169 Indigenous and Tribal Peoples Convention*, adopted on 7 June 1989, entry into force on 5 September 1991.

⁵ *Convention Relating to the Status of Refugees*, 28 July 1951, entry into force on 22 April 1954; *Protocol Relating to the Status of Refugees*, 16 December 1966, entry into force on 4 October 1967; *OAU Convention Governing Specific Aspects of Refugee Problems in Africa*, 10 September 1969, entry into force on 20 June 1974.

⁶ *Convention on the Prevention and Punishment of the Crime of Genocide*, UNGAR 260 A (III) of 9 December 1948, entry into force on 12 January 1951.

⁷ *Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment*, UNGAR 39/46 of 10 December 1984, entry into force on 26 June 1987.

⁸ For example, the four Geneva Conventions and the two Protocols:

▼ *Geneva Convention (GC) for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field*, adopted 12/8/1949, entry into force on 21 October 1950;

▼ *GC for the Amelioration of the Condition of the Wounded, Sick and Shipwrecked Members of the Armed Forces at Sea*, adopted 12/8/1949, entry into force on 21 October 1950;

▼ *GC relative to the Treatment of Prisoners of War*, adopted 12/8/1949, entry into force on 21 October 1950;

▼ (Protocol I) *Protocol Additional to the Geneva Conventions of 12 August 1949, and*

relating to the Protection of Victims of International Armed Conflicts, adopted on 8 June 1977, entry into force on 7 December 1978; and

▼ (Protocol II) *Protocol Additional to the Geneva Conventions of 12 August 1949, and relating to the Protection of Victims of Non-international Armed Conflicts*, adopted on 8 June 1977, entry into force on 7 December 1978, articles 1&6.

⁹ World Conference on Human Rights (Vienna 14-25 June 1993), *Declaration and Programme of Action*, Paragraph 1(5).

¹⁰ In the *Constitution of the Republic of South Africa* the principle of vertical and horizontal application of the Bill of Rights is recognised in section 8. Individual responsibility for gross violation of human rights that constitute serious crimes under international law is fully recognised in Article 1 of the *Rome Statute of the International Criminal Court* (1998), entry into force on 11 April 2002

¹¹ R Abella, "From civil liberties to human rights: acknowledging the differences", in K E Mahoney and P Mahoney (eds.) *Human Rights in the Twenty-First Century: A Global Challenge* (Dordrecht, Martinus Nijhoff, 1993) 61 at 67.

¹² See *Communication 155/96* before the African Commission on Human and Peoples' Rights on the Ogoni peoples' case in regard to the genocidal activities of Nigerian National Petroleum Company and Shell Petroleum Development Corporation.

¹³ On 20 September 2002, the Ministers from the AU Member States approved the *AU Draft Convention on Combating Corruption*. This will be formally adopted in Maputo, Mozambique in 2003 by the Heads of State and Government. The Council of Europe has a convention on corruption. The AU Draft Convention has provisions for the extradition of officials who are suspected or have been convicted of corruption.

¹⁴ *Ibid.*, in reference to spoliation in Article 21 of the *African Charter*.

¹⁵ International Council of Human Rights Policy (ICHRP), *Beyond Voluntarism: Human rights and the developing international legal obligations of companies* (ICHRP, Geneva, 2002).

¹⁶ C Rickard, "Lesotho says no to bribery", *Sunday Times* (Johannesburg), 22 September 2002, at p.6.

¹⁷ See, for example: Article 8 of the *Universal Declaration of Human Rights* "Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law" and Article 75 of the *Rome Statute* on "reparations".

JIHAD VERSUS THE NEW GLOBAL WARFARE STATE

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Introduction

If we want to get beyond 9-11, we have to know what was behind it. To do that, we need to know how American capitalism was restructured in the 1980s and what took its place. Limning this historical background brings the 9-11 attack into much sharper focus. Once we see who the 9-11 attack was aimed at, we can begin to understand America's war on terrorism in a way that goes beyond platitudes about Arab suicide bombers and religious fanatics.

The rise of the US warfare state

The great depression of the 1930s, followed by the dislocations of World War II, triggered a major restructuring process that led to a new form of capitalism which was very different from the laissez-faire capitalism of the pre-depression era. This new form of capitalism, often characterised by the misleading term Keynesianism, was based on certain facts and premises:

- ▼ a social pact between government, big business and labour (i.e. in exchange for the stability of capitalist social relations, labour adapted to the requirements of productivity, while big business recognised the rights of organised labour, and government extended (realm of entitlements to social benefits, creating an ever-expanding welfare state)
- ▼ regulation and intervention by the state in the economic sphere
- ▼ control of the international economic order by intervention via a set of new monetary institutions organised around the IMF under the hegemony of the US

After the oil shocks of 1973 and 1979, and the loss of control by the failed Carter administration (as evidenced by the fall of a pro-US Iran, the Soviet invasion of Afghanistan, and three well-documented and extremely irresponsible and dangerous US nuclear false alerts in 1979), panic-stricken US Republicans led by Ronald Reagan took power in the early 1980s and ushered in a new model of socio-economic control which they hoped would be able to recapture, consolidate and expand its diminished military and economic might. A new model of capitalism was born. Reducing the model to its essentials, we can summarise its main feature as follows:

- ▼ Big business appropriated a much higher share of surplus value from the production process. That is, they shifted surplus value away from labour.

This was accomplished through higher productivity derived from technological innovation, lower wages, reduced social benefits, less protective working conditions, decentralisation of production to regions or countries characterised by lower wages, more relaxed social and environmental regulations, and the weakening of trade unions.

- ▼ The internationalisation of all economic processes was accelerated to increase profitability and to open up markets through the expansion of the system.
- ▼ Substantial changes in the pattern of state intervention took place; the emphasis shifted from political legitimisation and social redistribution to political domination and capital accumulation.

This new form of state intervention did not amount to the withdrawal of the state from the economic scene, but to the emergence of a new form of intervention, whereby new means and areas were penetrated by the state, while others were deregulated and transferred to the market. Reaganism itself was identified with:

- ▼ the deregulation of big business, including relaxation of social and environmental controls
- ▼ privatisation of the public sector
- ▼ state support of high-tech research and development
- ▼ priority status to defence and defence-related industries, combining the reinforcement of military power and the stimulation of a high-tech dominated defence sector

Defence spending and the development of new high-tech defence industries created new markets to compensate for retrenchments in other public-sector expenditures. Castells calls this new model of capitalism, the Warfare State (Castells 1989:25). I will adopt this terminology¹.

A new model of capitalism was born, which was as radically different from the system based on Keynes' model of the 1945-1975 period as that one was from the laissez-fair capitalism of the pre-depression era. The era of responsible capitalism was over. America undertook the largest ever defence build-up in peacetime, and in absolute dollar value, the largest military programme in the history of mankind (see the figures given by Castells 1989:234-235).

This dramatic military build-up by the Reagan administration, combined with a regressive tax reform (favouring big business), and the inability to dismantle the welfare state (social security), led to the biggest budget deficit in American history. The political crisis suffered by the American state both domestically (Watergate) and internationally (Vietnam, Iran, the erosion of its political control in Africa and Central America; increasing economic and technological competition from new powers, especially Japan; strategic parity achieved by the Soviet Union in the arms race) created a state of emergency mentality in which the greatest military and economic

power on the planet would henceforth flex its muscles to show that it was ready to fight and to engage in sharp confrontations to preserve its superpower status. It began in the 1980s with the invasion of Grenada and later Haiti, as a calculated move away from the collective memory of the Vietnam fiasco. Since then, the US has bombed many countries (e.g. see Chitty 1999:2-9; Chomsky 2001).

Big business, both in the US and internationally, welcomed this new resolution. Together with tax cuts for corporations and upper income groups, vastly increased defence spending created the jobs and demand that were previously generated by social welfare spending. The installation of the militarist George W. Bush administration shortly after the dawning of the third millennium, supercharged this process. In 2001, orders for US defence capital goods (aircraft, arms, ships, communication equipment) were up by 24 percent from the previous year². September 11 did not cause, but merely augmented and hastened, the dramatic rise of the new warfare state's policy of vastly increased military expenditures and global capitalist expansion.

To proceed with this new policy, a new power bloc had to be built at the core of the welfare state which could replace the old liberal coalition which was now deeply in crisis. With an urgent conservative survival agenda, US big business took the initiative, with the backing of the Reagan administration, by breaking the social contracts achieved in the 1930s, 1940s and 1960s, to regain decisive advantage over labour and the welfare state, and to win a new hegemony in the global economy.

Big business enthusiasm for the neo-conservative coalition organised around President Reagan is hardly a mystery. Still, it was not enough to decisively overturn the Democratic Party majority. It was the combination of tax reductions and defence spending which created the largest federal budget deficit in history. The obvious complementary policy would have been a dramatic shrinkage of welfare expenditures, but many of the institutionalised state welfare programmes from 1930-1940, unlike today, were untouchable in the 1980s.

This ambiguous combination of liberal ideals and political neo-conservatism of the 1980s has now resolved itself. Today, more than two decades later, a repressive warfare state, still in its infancy but growing rapidly, is firmly in place. The US welfare state is moribund. The militarist Bush administration is now eyeing the locked box of US social security for high-tech military investment, to stimulate the economy and finance high-tech wars and global military adventures. At the time of this writing, there are reports that the Bush administration is fine tuning plans for an air and ground assault on Iraq which could involve up to 250 000 troops³. There is an intensified consolidation and mobilisation of government that fuses an aggressive military and economic expansionism with global market capitalism. The dramatic transition from a social welfare state to a

repressive warfare state is now a - perhaps irreversible - fait accompli.

Bombing of foreign countries is the means by which the US has been rapidly extending its military subjugation of the world. The bombings have been a way of telling the rest of the world, and itself, that the US is ready, even eager, to use extreme force and zero-tolerance to punish any country that defies its will or threatens its interests. It is not hard to connect this aggressive military expansionism with the expansionism inherent in US global capitalism. The country that bombs the most other countries is also the one whose products have invaded most other markets.

The declared aims of the bombings have been very different to all this: preventing international terrorism (Libya, Sudan, Afghanistan), upholding national sovereignty (Iraq 1991), preventing the spread of weapons of mass destruction (Iraq 1998-present), preventing ethnic cleansing and protecting minority rights (Yugoslavia). But it never has been hard to see the reality of US geopolitical and economic interests (oil in particular) behind all these moralistic justifications.

National priorities inaugurated by Reagan in the early 1980s made the US into a mobilised polity. A mobilised polity is one in which the major resources of a country are concentrated on a few specific objectives defined by the Government (Bell 1973:355). In such a polity, the state calls the shots, sets priorities, dominates the media, universities and civil society in a way not unlike that described in George Orwell's 1984. Moderate political analysts have heard echoes of fascism in America. William Grieder, who has often shown himself to have a sharp feeling for political trends, stated in interviews as far back as the mid-1990s that the US had entered into a pre-fascist situation⁴. Since then, especially in the aftermath of 9-11, the situation has not reversed itself. It got worse, as jurist Ronald Dworkin has noted (Dworkin 2002:44-49). Dworkin asks: "What has al-Qaeda done to our Constitution, and to our national standards of fairness and decency?" His answer is that:

Since September 11, the government has enacted legislation, adopted policies, and threatened procedures that are not consistent with our established laws and values and would have been unthinkable before (Dworkin 2002:44).

Before when? Before the terrorist attack of 9-11? I do not think so. Ultra-right US Attorney-General John Ashcroft, the man mainly responsible for the changed judicial and law enforcement policies which Dworkin laments, was appointed by the Bush administration well before September 11, and is merely following a pre-existing agenda. Ashcroft seized September 11 as an opportunity for fast-tracking a right-wing agenda aimed at curtailing civil liberties and establishing a new zero-tolerance legal order more suited to a repressive warfare state than to anything that has previously existed in the US. What Dworkin thinks al-Qaeda did to the US

Constitution was brought to fruition over a longer period of time than between 11 September 2001 and today. Even if 9-11 had never happened, the repressive policies, laws and regulations that Dworkin describes would have come to pass, albeit in a much more incremental, less obviously abrupt and unthinkable manner.

The Pentagon and US big business are two aspects of a single whole. Already, more and more private companies are being awarded lucrative contracts with the Pentagon to run day-to-day support operations of US military bases around the world. Service provisions include such things as base camp maintenance, facilities maintenance, laundry services, airfield services, property accountability and supply operations. Prefabricated military bases which have been set up in Afghanistan, for example, may soon be run by private corporations for profit. In one fell-swoop, the economy is stimulated and economic indicators like GDP suddenly look very rosy; the military is also freed to concentrate on its core function of making extra-legal wars on terrorists, wherever.

The post 9-11 situation has been sharply, and I think intentionally, polarised by Bush's remarks that the US war on terrorism is an either/or scenario - either you are with us, or you are against us. I will discuss this below. For now I will just say that the possibility of rational debate is becoming less and less likely in the light of growing enthusiasm for war. As enthusiasm for war grows, fanned by the militarist Bush administration, space for reasonable protest shrinks almost to a point of nothingness.

American anti-globalisation protesters have toned down their rhetoric and curtailed their protests since 9-11. Anti-globalisation protest is seen by Bush administration officials as more than a minor irritant. Looked at through a zero-tolerance lens, it is viewed as highly suspicious activity and thus, in terms of President Bush's either/or scenario, dangerously close to being anti-American (mainly by virtue of being anti-big business). Even peaceful support of the just Palestinian cause in America is seen as anti-American. The reason is fairly clear: Hizbollah and al-Qaeda terrorists, despite their differences, have found common cause for a tactical and strategic alliance, stemming from a common objective, namely the fight for the liberation of Jerusalem against Israel and the US⁵. If you are perceived as being sympathetic to Palestinians, you are seen as being anti-Israel. Since Israel is equivalent to a proxy US state, this makes you anti-American, and thus, in terms of Bush's either/or alternative, pro-terrorist. You cannot be too critical of current American policies. If you do come across that war, you will be stigmatised as being anti-American, not only by Bush people but also, unfortunately, by many ordinary Americans.

The main obstacle to rational debate is that the whole of American society, its mindset, its political, military and economic system, is increasingly galvanised around

security, especially high-tech military security, while, in reality, real security evades everyone. Nothing is secure. Anything, anyone, different or strange is suspect. People who privately worry about the policies of the US are kept quiet by intense social pressure to shut up. People are growing intolerant. Anything that is not the official line is considered treachery and betrayal. There is no space for rational discussion. One would think that this would spark a vigorous debate about freedom of speech and the nature of patriotism, but this has not happened. American academics seem burnt out. Noam Chomsky (2001) is right to call American intellectuals a lap-dog class.

Warfare state propagandists argue that terrorists blow people up because no ultimate power can prevent them from doing so. This is an incredibly insular and self-serving argument. It was used to justify the bombing of Afghanistan after the 9-11 attack - to prevent terrorists from striking again. The Israeli Government used this rationale when they invaded and flattened the Jenin refugee camp - to prevent terrorists from striking again. This so-called argument is not really an argument in the Aristotelian sense, it is a self-serving political doctrine which some analysts call the Kissinger Doctrine (Falk 1975). It amounts to the self-serving claim that the cause of war (and terrorism) is failure to keep the peace. According to this self-serving doctrine, there is no connection worth drawing between terrorism and oppression.

This superficial Republican theory explains why the South African ANC was regarded as a terrorist organisation by US Republicans for such a long time. Even today, the US follows policies which liken the just struggle for democracy in South Africa to acts of criminality or terrorism. US officials have stonewalled polite requests to change these policies, notwithstanding the South African government's legitimate pleas for an end to official harassment by US authorities of those who fought against apartheid and were designated as terrorists by the apartheid regime⁶.

This self-serving Republican doctrine has been used by Israeli generals to justify their military response to Palestinian suicide bombers. Effi Eitam, an Israeli ex-general with a broad following among Israeli hard-liners (who was recently added to Ariel Sharon's cabinet), was interviewed by Newsweek⁷ about Israeli policies. It is clear from his response to the following question that he sees no reason why Israel should not use the rubric of President Bush's war on terrorism to prosecute its own war on terror:

Newsweek:

Israel is coming under heavy pressure from the United States to withdraw [from Ramallah, the first target of the Israeli blitzkrieg launched in late March, 2002, and from the Jenin refugee camp]. Can you afford to rebuff your most important ally?

Eitam:

You [the United States] took your B-52s and you bombed everything under the clouds in Afghanistan. You didn't care about civilians; you didn't care about infrastructure. You could allow yourself to do that because you felt safe from

international criticism. For weeks you didn't allow the media to come in. And you needed time, seven months. We need another eight weeks. I will tell Colin Powell not to have a moral double standard.

Implicit in Eitam's reply is the same self-serving Republican doctrine used by the US to justify its bombing of Afghanistan: the cause of terrorism is the failure to keep the peace. Terrorism happens because we are unable to prevent it. It is as simple as that. Do not ask: What makes people become terrorists? Only ask: How can terrorists be eliminated? If you do ask why people become terrorists, you may just stand accused of being pro-terrorist. That is how polarised things have become.

When Henry Kissinger became US Secretary of State under Richard Nixon, he became the warfare state's prime theoretician and modern Machiavelli. America's bombing of Afghanistan following the 9-11 attack was an instinctive application of the Kissinger doctrine. This same theory is used by Israeli hawks to justify excessive use of military force against Palestinian civilians. Is the theory right? Put differently, is this doctrine one whose application is most likely to bring peace? Does it not leave something out of the picture, namely why people resort to terrorism at all? Would it not be better to ask what makes people terrorists in the first place? For the zero-tolerance mind, the answer is no.

What makes the situation delicate is that many ordinary citizens who are by no means pro-terrorist are against some of the same things that the 9-11 terrorist masterminds were apparently against. To be against these things (by which I mean to be critical of, to struggle against them) can, and frequently does, give rise to a Bush presumption that, because you are against these things, you must therefore be pro-terrorist. This is a problem, because, increasingly, masses of people, from all walks of life and all parts of the globe, are questioning and raising their voices against a US-led economic and military policy that seems to aim at total control of the world. Is US-led economic and military globalisation something that the world really wants or deserves? More and more people are beginning to doubt it. It is becoming more and more apparent as time goes by that the continued quest for economic and military expansion as the basic organising principle of the US state is accelerating the breakdown of the world's regenerative capacities and the social fabric that sustains human life.

Big Business and Wall Street

Consider the following story: For most of his career, David C. Korten worked as a high-level USAID manager. After a lot of soul-searching, he resigned after concluding that development policies pursued by the US are a leading cause of - not the solution to - a rapidly accelerating and potentially fatal human crisis of global proportions (Korten 1995:3). Korten is not exactly a radical. He has impec-

cable conservative credentials, yet the more he saw of what happened to USAID's putative beneficiaries, the more he came to realise that they were being systematically undermined by projects that were colonising their resources. He tells how he became alienated from US development programmes that increasingly aligned themselves with strictly money values. He explains how development, as it is vigorously promoted by the US dominated World Bank and International Monetary Fund (IMF), isn't working for the majority of humanity. The roots of the problem (of poverty) are found in countries that set global standards for wasteful extravagance and dominate global policies that are leading our world to social and ecological self-destruction (Korten 1995:7 -8, (emphasis added)).

Korten (1995:8) came to see that America's success has become the world's problem. The ultimate demonstration of this, he says, is found in the US itself: "The same policies that the United States has been advocating for the world have created a Third World within its own borders, as revealed in its growing gap between the rich and the poor,"

The powerful have consolidated the nation's wealth in their own hands and absolved themselves of responsibility for their less fortunate neighbours, both at home and abroad, labour unions have withered as American workers, desperate to keep their jobs, have been forced to compete with even more desperate unemployed of Mexico, Bangladesh and other Third World countries for wage cuts with trans-national corporations that may still bear American names but honour no national allegiance (Korten 1995:8),

An active propaganda machinery controlled by the world's largest corporations disingenuously assure the gullible and the desperate that US-style consumerism is the path to happiness and self-realisation. It is claimed that restraint of market excess is the cause of poverty. Economic globalisation is said to be both a historical inevitability and a boon to the human species. Those who stand to reap a windfall from global capitalism try to make globalisation seem like a natural process. They say that competition in the global village (another euphemism) is like a flood tide -no one can resist it. Or they speak of the wind of competition becoming a storm. Globalisation is, however, not a law of nature, nor is it inevitable. It is more like the game of monopoly. It is inevitable that the game ends when every player but one has gone bankrupt; there is nothing inevitable about having to play that game. We are free to play another game,

Globalisation is not an inevitable law of nature - it is the result of a US-led policy. The Washington consensus is the self-serving name given by Washington to the set of principles that are driving global capitalism through institutions like the World Bank and the IMF. These principles are put forward as global principles of universal application, but in reality they are nuts-and-bolts ingredients of a

self-serving economic ideology propagated by big business. These principles are considered best, but best means best for big business. Neo-liberal prophets use a metaphor from biology to define the new role of the state as host for big business transnational corporations. This is an apt metaphor because it implies that big business has a parasitical character. An economic policy that makes global competition an end in itself results in a downward spiral. The race to carve up the world labour market devalues labour power in ever faster cycles. Some cheaper competitor will always be waiting in the wings. This is a game that workers can only lose. Growing social polarisation eventually becomes so great that class struggle is unavoidable. Class struggle leads to terrorism and war.

Even the world's wealthiest countries are experiencing high unemployment, falling real wages, greater dependence on part-time and temporary work without benefits. The weakening of trade unions has created a growing sense of insecurity. The middle class is shrinking. Martin and Schumann (1996: 1-12) argue that a new social order is being forged, one of rich countries with no middle class worth mentioning. All around the world, they say, the owners of capital are contributing less and less to the financing of public expenditure (Martin & Schumann 1996:7). Wages as a share of national wealth are declining worldwide. Share prices and corporate profits rise, while wages and salaries sink. No one needs special economic knowledge to grasp what is happening. Capitalism is again heading in the direction Marx described for his own time - the general tendency of capitalist production is not to raise but to sink the average standard of wages, to push the value of labour more or less to its minimum limit.

Global capitalism is destroying its own foundations as it undermines stability. Countries that have so far enjoyed prosperity and stability are now eating up the social substance of their cohesion even faster than they destroy the environment. Neo-liberal economists and hawk politicians preach the American model to the world, but economic and social decay is nowhere more evident than in the US. Incarceration has reached epidemic proportions such that in California, for example, which has the seventh largest economy in the world, expenditure on prisons has overtaken the whole of the education budget (reported in Martin & Schumann 1996:9).

Incremental wage increases and state organised protection of workers over the last 60 years created a strong US middle class. For years, this swelling middle class was the ballast of the American ship of state and the basis of its democratic stability, optimism and hope. The global unshackling of capitalism has been an onslaught on the American middle class, trade unions and the welfare state. The social cement that has held American society together for so long is becoming cracked and brittle. Schumann and Martin think that an impending political earthquake is looming and that it will strike first in the United States.

Even Alan Greenspan, no friend of the welfare state, has warned that growing inequality has become a major threat to American society (reported in Martin & Schumann 1996: 123), Slash-and-burn capitalism is rapidly destroying, for short-term gain, the social contract on which American democracy has been built.

The gulf between rich and poor is growing wider. High earners want to have less and less to do with the poor, who seem to them ever more aggressive. In order to survive, what remains of the American middle class is putting its savings in stocks and shares. Twenty million US households take part in stock-exchange roulette. Twenty years ago 75 percent of private savings in the US were held in savings accounts or fixed-interest securities. Today three-quarters of savings are speculated on the stock exchange (Martin & Schumann 1996: 163-177). This has given big-money managers the power to exert enormous pressure everywhere for wage cuts and downsizing. In the 1980s, Wall Street rode on a Reaganesque sunny optimism. Today, in the Bush fright house, it runs on fear. Americans are insecure and nervous. This is a fact that cannot have escaped the notice of Osama bin Laden, as I will suggest below.

It is a pretty scary picture. The imperatives of the great depression and World War II galvanised people behind measures that resulted in a significant redistribution of income and built up a strong US middle class that came to be seen as the hallmark of American prosperity. Prior to the restructuring of American capitalism, prosperity was shared and spread around, even if grudgingly. Things seemed to be working out. America was seen as a shining city on a hill. The excesses of liberalism and the rise of the warfare state changed all that. Aside from the biggest military build-up in the history of mankind, Reagan-ism was guided by three other strategic concerns: a rolling back of the challenge to big business from the newly industrialising notions, especially Japan, the dismantling of Roosevelt's New Deal (discussed above), and the subordination (or colonisation) of the Third World within a US-dominated global economy. There is only one problem with this lost concern: if the new model of capitalism is not working in America, how can it possibly work in the Third World?

Economic growth in developing countries brings modern airports, television (with which to colonise minds), trans-national highways and air-conditioned malls (owned by big business) for the favoured few. This kind of growth means gearing an economy toward exports to earn foreign exchange with which to buy luxuries and the things that wealthy people want. To take just one illustration, the land of the poor is expropriated by big agri-business for export crops. Foreign exchange that is earned from export crops is then used to buy luxuries for the wealthy. Meanwhile, former tillers of the soil find themselves subsisting in urban slums on starvation wages producing cheap commodities for export. Families are broken up, the social fabric is strained and violence becomes endemic. Those whom growth favours then need still more foreign exchange with which to import the latest gadgets and

high-tech devices to protect themselves from the growing rage of the excluded.

The US-dominated World Bank and IMF have rapidly moved to restructure the economies of debt-burdened developing countries and to open them up to penetration and control by big business. Structural adjustment programmes imposed on Third World nations roll back governmental involvement in social services, eliminate restrictions on big business investments and aim to integrate developing economies ever more tightly under the control (if necessary, the military control) of a US-dominated world economy. Trade policy is the weapon of choice for imposing reforms on the Third World, second only to bombing. Money and power are the principal measures of value, and greed is what the economic system shaped and, led by Wall Street, encourages and rewards.

Mander argues that global capitalism is visiting a new kind of corporate colonialism on poor countries and on the poor in rich countries (Mander 1996: 3-20). He thinks that even at its optimal performance, the long-term benefits of global capitalism go only to a tiny minority of people who sit at the hub of the process, and to a slightly larger minority that retains an economic link to it. Without barriers of any kind, all capital will eventually mass at the centre. Eventually there will be nothing left at the periphery.

The world of finance in which big business flourishes is headquartered on Wall Street. This world has become a gigantic high-speed computer game whose sole aim is to make money. In this game the smart money does not waste itself on long-term, high-quality commitment to productive enterprises which produce real prosperity to meet the needs of real people. It seeks short-term returns from speculation in erratic markets and from near-simultaneous trades involving trillions of dollars in multiple markets to profit from minute variations in foreign exchange rates (elaborated in Korten 1995: 183-207; also see Markham 2002:1-121, Vol. III).

Corporations that invest in real assets (as opposed to ephemeral financial assets) are forced by the resulting pressures for high returns to restructure their operations in order to maximise immediate short-term returns to shareholders. The way of doing this is by downsizing and automation, and by externalising as many costs as possible. Localities are pitted against one another in a standards-lowering, race to the bottom to offer the most generous subsidies, tax breaks and freedom from environmental and safety standards. Government revenues dwindle while, at the same time, workers are pitted against each other in a struggle for survival that pushes wages and working conditions to their lowest levels. The real meaning of global competitiveness is competition among localities.

We can get a preview of what will might happen in South Africa under an open

borders policy from what happened in Canada under the North American Free Trade Agreement (NAFTA). In the wake of NAFTA, virtually all control over foreign investment in Canada was removed. Thousands of Canadian companies were taken over by US big business, which then often shut down production and converted the Canadian branch into warehousing or marketing divisions. Many jobs were lost. There has been a virtual invasion of Canada by US-led big business (discussed in Barlow & Robertson 1996:60-70). The Canadian federal government contracted out operations formerly handled by the public service sector. Competition for these contracts was dominated by US big business. Even in Canada, a nation of friendly people with a history of socialism and a strong social welfare imprint, the big business definition of welfare as charity for those who can't make it has been adopted. People are becoming harsher. We have already seen this happen in America. Where will it end?

Big business long ago learnt how to pit American states against each other in a race to the bottom to profit from whichever state would offer the most miserable wages, the laxest pollution standards and the lowest taxes. Now, via NAFTA (and GATT) rules, big business can play this same game at the global level - externalising environmental and social costs is one way to boost corporate profits. Big business prefers a system of accounting that obscures this and measures a society's progress solely by the amount of services and goods it produces and pays for. The vaunted GDP measure reflects the desire of big business and Wall Street to rig the economic system to keep social and ecological destruction hidden out of sight. GDP, as an economic indicator, perpetuates the illusion that national well-being can be measured best by the volume of its production and consumption. GDP as the measure of a nation's progress and prosperity is perverse: it takes no account of the depletion of natural resources for a starter.

Nature's bounty is regarded by big business as being free for the taking by those who can do. So when, for example, a timber company harvests an ancient redwood forest, the GDP rises by the market value of the wood. In accounting jargon, the GDP treats the extraction of natural resources as income rather than what it really is, namely, the depletion of a resource. GDP as a measure of economic progress and well-being treats things like family breakdown and diseases linked to water and air pollution caused by industrialisation as economic boons - divorce means lawyers' bills, cancer means doctor's and hospital's bills. Long-term environmental damage such as global warming is never taken into account in computing the value of GDP. (For a fuller treatment of the perversity of the GDP measure see Halstead & Cobb, 1996: 197 -207). GDP is a fraudulent measure of prosperity which is being foisted on the world by big business and Wall Street.

The quickest way to make the kind of money that Wall Street demands is to

capture, and then strip, a company. Investment portfolio competition demands the greatest yield of instant shareholder gains. Social responsibility is factored out - with Wall Street demanding maximum short term gains and corporate raiders standing by to trash any company that is not externalising every possible cost. Efforts to fix the system by raising social consciousness miss the point. There are many good managers who would like to be socially responsible. The problem is a predatory financial system that encourages and rewards greed (for fuller discussion see Korten 1995: 195-206; for background see Markham 2002:1-121, Vol. III).

Getting behind the 9-11 attack - what was it against?

The 9-11 terrorist targets were profoundly symbolic. Anyone who misses this point will have trouble seriously understanding what the attack was about, and what it was against. According to Castells, big business and the Pentagon are two aspects of a single whole, which he calls the warfare state (Castells 1989:21-39; 229-307). To this combination I would add Wall Street. I would say: "The three are one", with Washington as its shell. I think the masterminds of the 9-11 attack also conceptualised things this way. Let us think about this.

Big business has created for itself a system of managed competition which limits competition within its empire while encouraging intensive competition among small business firms at the periphery. This forces the periphery to absorb more and more costs, so that the core can yield greater profits for its own insatiable master - Wall Street. I have gone on about Wall Street at some length because I think it is important to see that, in the minds of the 9-11 terrorists, the World Trade Centre symbolises not just big business, but also Wall Street - big business and Wall Street are symbols of the US economy. When the World Trade Centre was attacked, it was an attack, both real and symbolic, on the US economy. If we really want to get behind the 9-11 attack and know what it was against and what it means, I think we have to understand this.

September 11 was hailed by Osama bin Laden in an undated video- tape excerpt screened on Al-Jazeera television on 17 April 2002 (thought to have been produced in late December, 2001) as a major blow to the US economy. In the excerpt, bin Laden boasts that losses on Wall Street reached 16 percent. He continues: "More than one trillion dollars in losses resulted from these successful and blessed attacks". He mentions in passing that airline companies had to let go of more than 17 000 (sic) employees⁸. From these statements it is evident that the 9-11 attack was an attack on the US economy. But it was more than an attack on the economy alone. When, in the same excerpt, bin Laden claims that we were able to hit the source of infidelity which day and night fights against Islam, he is referring to more than just the US economy. The Pentagon was also hit. The target of 9-11 was the US warfare state, which I have defined as an alliance

between the Pentagon, big business and Wall Street (with Washington as its shell). There is no separation of powers, only a division of labour. US power has massed at its centre of gravity. A tiny minority of people control the warfare state.

The fact that the 9-11 attack succeeded in hitting the US economy is confirmed by the Economic Report of the President (2002)⁹, which in so many words states that the 9-11 attack pushed the economy over the edge into recession by two routes: the direct disruption of business, especially air travel and tourism, and the indirect effect of weakening spending caused by the uncertainty and insecurity imposed on big business and consumers. Meanwhile, an informal boycott of US goods is gaining momentum in the Arab world, leading to a drop-off in business for fast-food outlets, and the food and beverage industries¹⁰. The call for a boycott is going out in mosques, in the streets and over the Internet. The war on the US economy is a war which will escalate.

Bin Laden's aim was to hit the US warfare state by attacking the economy that sustains it. He made his strategy clear in his preface to the 11-volume Encyclopaedia of Jihad: "The objective in deploying these weapons is to traumatise civilian populations in order to put (the US) under unprecedented, unsustainable pressure of bringing (it) down"¹¹. The idea is to precipitate a crash on Wall Street by traumatising the nation. In the Encyclopaedia of Jihad, operatives are shown how to poison drug and medical supplies and to use syringes to contaminate food supplies. Newsweek reported that phone taps on al-Qaeda terrorists often turned up the phrases hitting the FBI in contexts that did not seem consistent with the Federal Bureau of Investigation; finally it was realised that the abbreviation stood for the food and beverage industry¹².

If asked, many Americans will say the motives behind 9-11 were religious fundamentalism and hatred or envy of the American way of life. The intent of the attack probably had little to do with envy, because, in general, suicide-bombers are not the kind of people who would be envious of the American way of life. If the bombers had envied America, they would probably have participated and become capitalist terrorists (rogue traders and security dealers) and not bombers at all. Wall Street terrorists probably have as good a chance of bringing the American economy down in a crash as do suicide bombers. Regarding religious fanaticism, it is neither necessary nor sufficient for making people terrorists. It is not sufficient because religious fanaticism does not necessarily lead to terrorism, and it is not necessary because sometimes terrorism happens and it has nothing to do with religious fanaticism. To claim that the cause of the 9-11 attack was religious fanaticism is a little too simple. It leaves us wondering what the attack was against, and why it happened the way it did.

If we want to understand the real meaning of the 9-11 attack we need to ask why

the bombers and their masters hate America. It is clearly more than a hatred of McDonald's and Coca-Cola, but what exactly? What exactly is it that Osama bin Laden hates about America? Could it have anything to do with US foreign policy and the relatively tiny network of people who make and enforce that policy? Could there be any connection at all between the 9-11 attack and US foreign policy? This is a question that should not be asked. To ask it almost always elicits an unfavourable, even hostile response from Bush administration people and, unfortunately, from many ordinary Americans. If you raise the question, you are perceived as being possibly pro-terrorist, anti-American - possibly somebody who gives aid and comfort to the enemy.

But which enemy are we talking about? Who exactly are we supposed to be against, and why? The answers given by Bush administration people are always self-serving and superficial. It is important to know why our enemies are against us, because if we do not know why our enemies are against us, only that they are, how can we deal with them in anything other than a bombing way? Or am I missing something? Maybe what is being said is that the B-52 or F-16 way is the only way. Saying that would be at least consistent with the Machiavellian philosophy of the warfare state.

Even if 9-11 had never happened, or, even if Osama bin Laden had never been born, America would nevertheless be waging a war against terrorism today, and will be waging one tomorrow. This will be a war that will increase in scope and ferocity as time goes by, even in the unlikely event that every last holy warrior, al-Qaeda network or axis of evil in the world is taken out by US military forces. The reason is that the warfare state's global capitalism is creating its own back-lash. It is happening now in the industrialised countries, and in America itself. The backlash is becoming more and more evident in attacks on McDonald's and other symbols of American global capitalism and in the trashing of US Embassies in many parts of the world. The backlash is becoming more and more evident, even in countries like friendly, non-aligned South Africa.

When history tells its story, the causes of the 9-11 attack will most likely be found in economic and military policies of the US warfare state. Remember, when I talk about the warfare state I am referring to an alliance between Wall Street, big business and the Pentagon, with Washington as its shell. This unholy trinity is what the 9-11 attack was most fundamentally against. The masterminds of the 9-11 attack despise this alliance, because they see it as the spearhead of a US-led plan hatched to seize economic and military control of the world - to establish by force a New World Order that will be owned, not by the people of the world by any means, but by the Pentagon, big business and Wall Street. This New Order, if it succeeds, will surely spell the end of Islam. That is why Osama bin Laden has attacked its perpetrators. But this New Order will spell the end of many

other things as well. That is the problem.

The problem is that many of us have doubts about the warfare state and its global ambitions. But it does not follow, and it should not be thought that, because of this, we are sympathetic to the perpetrators of the 9-11 attack, or that we support terrorism. This needs to be made absolutely crystal clear. Unfortunately, that is not always easy in a zero-tolerance atmosphere.

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¹ My analysis of the restructuring of capitalism and rise of the US warfare state is based on a very loose application of Castell's interpretation (Castells 1989:21-39; 229-307), but should not be read as an attempt to reproduce it since my version differs significantly from his.

² New York Times, 12 May 2002.

³ New York Times, 2 May 2002.

⁴ Radio interviews given in Washington DC on 23 January 1995; 2 October 1995 and 31 January 1996; reported in Martin & Schumann 1996:176.

⁵ As reported in the New York Times, 8 May 2002.

⁶ Johannesburg Star, 10 May 2002.

⁷ Newsweek, 22 April 2002.

⁸ New York Times, 17 April 2002.

⁹ US Government Printing Office.

¹⁰ New York Times, 11 May 2002.

¹¹ Newsweek, 29 October 2002.

¹² Ibid.

THE ALTERNATIVE TO THE NEOLIBERAL SYSTEM OF GLOBALISATION

By Samir Amin

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The alternative: Social Progress, democratisation, and negotiated interdependence

What people need today, as well as yesterday, are society-wide projects (national and/or regional) articulated to regulated and negotiated globalised structures (while assuring a relative complementarity between them), which would simultaneously permit advances in three directions:

- a) Social Progress: this demands that economic progress (innovation, advances in productivity, the eventual expansion of the market) are necessarily accompanied by social benefits for all (by guaranteeing employment, social integration, reduction in inequalities, etc.)
- b) The democratisation of society in all dimensions, understood as a never-ending process and not as a "blue print", defined once for all. Democratisation demands that its reach is felt in social and economic spheres, and not to be restricted to just the political sphere.
- c) The affirmation of society-wide economic and social development, and the building of forms of globalisation that offer this possibility. It needs to be understood that the unavoidable auto-centric character of development does not exclude either the opening (on condition that it remains controlled) or the participation in "globalisation" (inter-dependence). But it conceives of these as needing to be formulated in terms that would permit the reduction - not the accentuation - of the inequalities of wealth and power between nations and regions.

The "alternative" that we are defining by advances in three directions - demands that all three progress in parallel. The experiences of modern history, which were founded on the absolute priority of "national independence" whether accompanied by social progress, or even sacrificing it, but always without democratisation, continually demonstrate their inability to go beyond the rapidly attained historical limits. As a complementary counterpoint, contemporary democracy projects, which have accepted the sacrifice of social progress and autonomy in globalised interdependence, have not contributed to reinforcing the emancipatory potential of democracy, but have, instead, eroded it - even to discredit and finally

delegitimise it. If, as the predominant neoliberal discourse pretends, submitting to the demands of the market presents no other alternative, and if, this idea would by itself produce social progress (which is not true), why bother voting? Elected governments become superfluous decorations, since "change" (a succession of different heads who all do the same thing) is substituted to alternative choices by which democracy is defined. The reaffirmation of politics and the culture of citizenship define the very possibility of a necessary alternative to democratic decadence.

It is therefore necessary to advance in the three dimensions of the alternative, each one of which is connected to the other. Less can be more - developing step-by-step strategies which allow for the consolidation of progress, even ones that are so modest that they can be achieved immediately, to go even further while minimising the risk of failure, going off-course or moving backwards.

Making this step-by-step strategy concrete means taking into account the evolution of science and technology and the acceleration of the revolutions it has brought (and this in all its dimensions - new riches, potential destructive forces brought on by these revolutions, transformations in the organisation of the workplace and social structures, etc.). But to do it, we would need not to submit, in the vain hope that these revolutions would have the "magic" ability to by themselves resolve the challenges of social progress and democratisation. It is the opposite in integrating the "new" in a mastered social dynamic that we can exploit their eventual emancipatory potential.

The social project abusively qualified as liberal (and in its extreme form - neoliberal) is founded on the sacrifice of social progress to the unilateral demands of the short-term profits of dominant segments of capital (the transnational capital of the 500 or 5,000 largest transnational companies). Through this unilateral submission of workers, human beings and nations, to the logic of the market, is expressed, without a doubt, the permanent utopia of capital (according to which all aspects of life need to adapt to the demands of profit-making). In many ways this is an infantile utopia, without any scientific or ethical base. It is through this submission that social progress and democracy have been emptied of any reality.

On the global scale, this submission can only reproduce and deepen the inequalities between nations and regions, especially considering the new structures that conform to the demands of capital which have reached a new level of development. This means that "monopolies" (sometimes known as comparative advantages) to which the oligopolies from the dominant centers (the triad) benefit, is no longer simply about industry, but also about other forms of economic, social and political control. The control covers technology, reinforced by abusive practices of industrial and intellectual property; the access to the

planet's natural resources; the ability to influence opinions by controlling information; the extreme centralisation of the means to intervene financially and the select-few who have access to weapons of mass destruction, etc.

"Market" economics and political power of the state, including the military, are today, as they have always been, inseparable. Faced with this unity that has been put in place by capital and transnational oligopolies and the political powers at their service, how then do we build people-centered counter-strategies, which, over and above "resistance" can actually advance the alternative defined here. This is the real challenge.

Combining the expansion of social movements and the rebuilding of the political citizen.

There is no modern society that is stuck in an absolute immutable stage. In this sense, the existence of "social movements", visible or not, clearly organised or working under wraps, crystallised around a programme of objectives defined in political or ideological terms or disregarding the "discourses", or "politician's politics", united or fragmented, is not new.

What is "new" and characterised by the present movement, is that "social movements" (or "civil society") - to use the current fashionable terms - is fragmented, and disregards politics, ideologies, etc. This is, at the same time, the cause, but more the product of, the erosion of social battle and politics in the prior period of contemporary history (after the second world war). This has contributed to the weakening of their efficiency, and therefore their credibility and legitimacy. This erosion therefore happened within a fundamental disequilibrium, with dominant capital submitting people and societies to the exclusive logic of its demands, to proclaim the eternity of its "reign", to pretend that it is rational and even beneficial (the end of history, etc.). That is to say it contributed to the notion of the permanent utopia of capitalism. This conjuncture manifests itself in absurdities like "there is no alternative" or in the imagination of a "social movement" that has the ability to transform the world without defining its targets and plans.

"Social movements" - in plural - exist, and are reinforcing their presence and their actions everywhere throughout the world. This is expressed through references to: classes, and class struggles, democracy movements, women's rights, rights of nations, peasants and environmentalists, which are all playing an important role in the transformation of the world.

Recognising the weaknesses in the present movement is neither to denigrate it, nor to take a nostalgic glance at the past, but to choose to act to reinforce its emancipatory potential.

The people's adversary is oligarchic, globalised capital, dominant imperialism and the totality of political powers. For the moment, these are totally at the service of the governments of the triad (since both the right and the left share the same penchant for "liberalism"), most notably the United States and those of the ruling classes throughout the South. This adversary deploys an economic, political, ideological and military strategy that uses all of the institutions set up to service it (OECD, the World Bank, IMF, WTO, NATO, etc.) It has its centers of "reflection" and its meeting places (Davos in particular, but also universities with their conventional economic departments). They control the "fashions" and decide the catch words, the discourses they impose: "democracy" or "human rights" (understood as a manipulative term), "war against poverty", "the erasing of nations" and parallel promotion of "communities", the war against "terrorism", etc. The majority of the "movements" and the activists that lead them, have up to now, always been one step behind, answering belatedly - well, or not so well - to their pieces of the strategy or discourse. We must liberate ourselves from these reflexive and defensive positions, taking away our turn and substituting our discourses, our strategies, our objectives, our language. We have a long way to go.

We will only be able to move in this direction if we are able to systematically analyse the adversary's strategy in its global dimensions and in its local and segmented expressions. These strategies are a long way from being a monolithic bloc. They are interspersed with contradictions what we need to analyse, get to know, identify and isolate. We need to propose counter-strategies that can take advantage of these very contradictions.

Faced with this urgent need, the "movement(s)" seems to be still quite weak. Because it has not yet, acknowledged the importance of this reflection, and the need for united action, the movement remains fragmented, defensive and soft in its discourse and propositions (which its adversary knows and takes advantage of). We must therefore advance to levels that make the crystallisation of counter strategies possible. It is only when the principles of the alternative are defined, and are consistent, that they can take flight in programmes and actions rich in diversity and convergence in their impact on society. This is when the "movement" will become a transforming force in history.

The opponent makes sure that our progress is difficult, not only by physical interventions when necessary (police violence, backward democratic steps, support to renewed "fascist" currents, wars) but also by soothing propositions so the "movement" remains "apolitical", "soft" and one step behind. The "movementist" ideology contributes to this, since it rejects precisely, and by principle, what we are proposing: the convergence through diversity of a reconstruction of citizen politics. In these conditions, the movements and the organisational forms that support them

(specifically the NGOs, which are now often considered to be the exclusive manifestation of civil society) must be examined critically. Do they adhere to the perspective of the construction of alternatives? Or, are they the system's management technique for its real ambitions - using them as "anti-alternative" instruments?

Only the rebuilding of citizen politics will allow the "movement" to acquire the scope that calls into question the disequilibria operating to the favor of capital. Only this rebuilding will allow for the emergence of new social equilibriums and politics that will make capital "adjust" to demands that do not come out of its exclusive logic of forcing people to adapt to the demands of capital as opposed to forcing capital to adapt to the demands of people.

Our call is addressed to everyone - ourselves included - who finds themselves involved in various actions and meetings around the World Social Forum (Porto Alegre) and in national and regional forums. The World Forum of Alternatives will act as a catalyst - with and among others - for the elaboration of popular, efficient and credible counter strategies.

The propositions which follow are just propositions - which some will evaluate as erroneous, extreme or provocative. However, in my opinion, they are worth discussion.

The collective imperialism of the triad, the hegemonic offensive of the United States and the militarisation of globalisation.

First thesis

The global system is not "post imperialist"- it is imperialist. It shares with other previous imperialist systems, which always commanded the expansion of global capitalism, several fundamental and permanent characteristics: it offers to the people on the periphery (the South, to use the current patois) - three quarters of the population - no chance to "catch up" and benefit from, for better or for worse, the "advantages" of the level of material consumption reserved for the majority of the people in the centers. It only produces, and reproduces, the deepening of the "North/South" gap.

Imperialism, nevertheless, has, in many ways, entered into a new phase of its expansion. This has a direct relationship to transformations in capitalism and capital: i.e. technological revolution, transformation of the workplace, globalised financial domination, etc. These relationships are the subject of serious research and animated debates. But once again the overall tone is directed by the economic obsession of some and by the genteel "soft" politics of others. This happens up to the point where the system is often presented as offering a chance to all those who want to take it. This speaks to the weakness of the "movement" and the efficiency of the dominant discourse.

I must insist on another new dimension of imperialism. Imperialism, which used to always be referred to in the plural, since permanent and violent, economic and political/conflict, between the various imperial centers, were always at the forefront of history, is now referred to in the singular - it has become the collective imperialism of the "triad" (the United States, Europe and Japan).

The facts clearly illustrate the reality of the collective character of this new state of imperialism. In all the global economy's managing institutions, Europe and Japan never take positions that are different to those of the United States, whether it be in the World Bank, the IMF, or the WTO.

What are the reasons behind this common vision of the triad? Up to what point is the solidarity that they display defining a new stable step in imperialistic globalisation? And where can we find the eventual contradictions within the triad?

It has been the custom to explain this solidarity through political reasons such as the common concern about the Soviet Union and "communism". But the disappearance of this threat did not end this "Northern" common front. But Europe and Japan are no longer dependent on the United States, as they were immediately following the Second World War. Having become serious rivals, one could have expected that their conflicts would have destroyed the triad. By agreeing on the same globalised neo-liberal project, they, in fact, did exactly the opposite. They have attained a level of growth that has never before been seen. Their sheer size has forced the oligopolies (the large transnationals that have their anchors in the states of the triad) to need - for their own reproduction - access to a global open market. For some, this means that an authentic transnational capital, and therefore transnational bourgeoisie, is in the making. This question clearly merits more profound research. For others (including myself), that extreme conclusion is not needed, since the common interests of managing the global market place are strong enough to be at the root of transnational capital's solidarity.

The contradictions that could have destroyed the triad, or at least weakened its collective strength, do not lie in the divergent interests of the dominant segments of capital. Their origin should be found elsewhere, since if capital and states are inseparable concepts and realities, the triad - and even its European segment - remain constituted in singular political states. The state cannot be reduced to its functions as a service provider for dominant capital. Articulated by all the contradictions that characterise society - class conflicts, different aspects of the political culture of the people in question, the diversity of national "collective" interests, and the geo-political expressions of their defense - the state is a distinct player of capital. And what will this complex dynamic bring about? The submission to the immediate and exclusive interests of dominant-capital? Or other combinations

that regulate the demands of the reproduction of capital and those that manifest themselves in other fields?

In the first hypothesis, with the lack of an integrated common political institution for the states of the triad, the United States, the commander-in-chief, will be asked to fill the demands of this "global" state, which is seen as being indispensable for the "good governance" of globalised capitalism. And the partners in the triad will accept the consequences. However, in this case, I would argue that the "European project" would be devoid of content, reduced to - in the best case - the European segment of collective imperialism, or - in the worst case - the European section of the American hegemonic project. For the moment, the ripples that we hear from time to time are due to the political and military management of globalisation, not its economic and social management. In other words, certain European powers would prefer a "collective" political management of the global system, while others accept complete management by the United States.

The second hypothesis, is that if Europeans manage to impose on dominant capital the terms of a new historic compromise which defines the European Union, Europe could hope to be an autonomous player. In other words, the option (and the battles) for a "Social Europe" (that is to say if power was not simply about being at the immediate and exclusive service of dominant capital) is inseparable from a "non-American" Europe. And this can only happen if Europe distances itself from the management of collective imperialism by which the interests of dominant capital defines itself. In other words, Europe will be on the "Left" (with the understanding that this definition takes into consideration the social interests of Europeans and innovations in North/South relations which will bring about a real post-imperialist evolution) or it won't.

Second Thesis

The hegemonic strategy of the United States is articulated by the collective character of new imperialism and profits from of the insufficiencies and weaknesses of the "anti-neoliberal" social and political movements.

This strategy, barely recognised by the "pro-American" defenders, is, in the dominant discourse, the object of two "soft" propositions which are not quite real, but operational, from the point of view of our opponent. The first is that this hegemony belongs to a "gentle" leadership, sometimes known as "benign hegemony" by the democratic fraction of the American establishment. Through this mix of false naivety and real hypocrisy, this discourse pretends that the United States only acts in the interests of the peoples who are associated with the triad. That it is motivated by the same "democratic" pulses, and even the interests of the rest of the world, to whom globalisation offers the chance of "development",

reinforced by the benefits of democracy that America promotes. The second is that, in all domains, the United States benefits from enormous advantages - whether it be economic, scientific, political, military or cultural - that legitimise their hegemony. In fact, American hegemony works from a logic, and a system, that has little to do with the discourse it envelops.

After the fall of the USSR - its only potential military adversary - the US establishment evaluated that it had a period of about 20 years to put into place its global hegemony. It was not that they are necessarily capable of an alternative hegemony, but just capable of affirming its autonomy in a global system that would be "non-hegemonic" - in my language, a multi-centric system. These "rivals" are, of course, Europe (we no longer hear talks about a Japanese hegemony!), Russia and China. The latter is seen as the principal designated adversary that Washington may have to destroy militarily if she continues to persist in her "development" and independent will. Other rivals have been all Southern countries that may develop a resistance to the exigencies of globalised neoliberalism - India, Brazil, Iran or South Africa.

The objectives are therefore to vassalise the allies in the triad, to make them incapable of effective global initiatives, and to destroy the "large countries", always by nature too "big" (the United States being the only one with right to be so). This has involved dismantling Russia after the USSR, dismantling China, India and even Brazil; instrumentalising the weaknesses of each country's power systems, manipulating the former states of the USSR, and stoking the centrifugal forces in the Russian Federation, supporting the Muslims of Xinjiang and the Tibetan monks, feeding the conflict with the Muslims of the Indian sub-continent, intervening in the Amazon (Plan Colombia), etc.

In this strategic perspective the United States decided that their first strike should be in the region that extends from the Balkans to central Asia, and traverses the Middle East and the Gulf. Why this region for the first American wars of the 21st Century? Not because the region could shelter serious enemies. Rather, it is the soft under-belly of the global system, made up of societies, that, for different reasons, are incapable of responding to aggression with even a minimum amount of efficiency. Striking against the weakest to begin a long series of wars - a clear and banal military strategy. Just as Hitler started by attacking Czechoslovakia, while his ambitions went above and beyond this to the United Kingdom, France and Russia.

Conquering the region also presents other opportunities. A major producer of oil and gas, its exclusive control by the United States would make Europe seriously dependent, reducing any eventual maneuverability. Additionally, the installation of American bases in the heart of Eurasia will facilitate the wars of the future,

against China, Russia and others. The unconditional support of Israeli expansion is logical within this perspective, Israel being a de facto permanent military base at Washington's service.

The decision to militarise the management of the global system was not taken just by the team of Bush Jr. It has been the rallying call of the ruling classes of the United States since the fall of the USSR; Democrats and Republicans only differ in their choice of language. This option is also meant to mitigate the insufficiencies of the American economy, in which the competitiveness of all the segments of the productive system have continually deteriorated, as is witnessed by the growing trade deficit. By imposing themselves not as the "natural leader" via its economic advances, but as the military dictator of the world order, the United States is creating conditions that force its vassalised "allies" (Europe, Japan), to pay for its deficit. The United States has become a parasitic society that cannot maintain its level of consumption and waste without impoverishing the rest of the world.

Third Thesis

The present time is one of extreme gravity. In this sense, comparisons with the 1930s are justifiable. Like Hitler, the President of the United States has decided to replace the law with brutal military force. This erases all the conquests that democracy's victory over fascism has permitted, condemning the United Nations to the same lamentable fate as the League of Nations.

Alas, the comparisons continue. Fabrication and choosing minor adversaries to lay the ground work for major confrontations. Systematic lying. The dominant classes of the "allies" act like Chamberlain and Daladier with Hitler; they cede to, and even sometimes contribute to, legitimising American wars in the eyes of those they are deceiving.

The "movement" has to understand that, faced with this coherent and criminal strategy of its opponent, no counter-strategy can be effective if it does have the battle against American wars as the principal axis of its action. Today, what are the discourses on "poverty" or "human rights" worth, when compared to what is in store for people in a far worse future, which will be imposed by military violence? These wars, still "small" (despite the gigantic material and human destruction of its victims) - do not constitute "a problem among others", but the harbinger of the enemy's strategy.

Elements for a popular counter-strategy

The aforementioned reflections can only lead to one conclusion: the principal axis of actions to come can only be about the organisation of actions against "American wars" and the construction of a large front, composed of all the forces

that could oppose them. In this spirit, I will offer three propositions:

First proposition: Priority being given in Europe to the reconstruction of a leftist movement that can converge the demands of existing movements that remain terribly fragmented. It should distance itself from the pro-imperialist right, which accepts the alignment of the United States' imperialist strategies, or, if it expresses the wish for "collective political management", from collective imperialism. In other words, there will never be a "Social Europe" if there is no simultaneous engagement toward "another politics" vis-à-vis the rest of the world, which would take up a real post-imperialist transition.

European people can and must make the United States aware of the fragility of their position in the economic system of globalised capitalism. If Europe can ensure that the use of its capital surpluses is used for social development, instead of supporting American waste, it will simultaneously constrain the United States and force it to abandon its excessive ambitions. This strategic objective clearly does not exclude the support of the courageous men and women who, at the heart of the system, are saying: "No to war". Nevertheless, I remain sceptical about the effectiveness of internal opposition in the United States, as long as the privileges of this parasitic society remain guaranteed. The American ruling class has managed to obtain a dominant public opinion foolish enough to ensure that the protests of the conscious minority cannot bring down the United States' hegemonic strategy.

Second Proposition: Encourage a rapprochement between the large Euro-Asian partners - namely, Europe, Russia, China and India.

Russia, with its oil and gas reserves, offers Europe its only means to escape the American diktat, assuming that Washington succeeds in its plans to have exclusive control over the Middle East. And since most of the foreign trade and investment Russia attracts is from Europe, and not the United States, there is already favorable ground for a rapprochement between Europe and Russia.

The rapprochement of Russia, China and India would find its *raison-d'être* in the military threat that these three countries will face with the eventual success of the United States' deployments in Central Asia. American diplomacy is making this rapprochement as difficult as possible by mobilising, to its benefit, the contradictions of the political visions of each of the three partners and in supporting the comprador fractions of their ruling classes. But, over and above the geo-political conflicts that make up the border conflicts between China and India, or Tibet and the Xinjiang, over and above Washington's manipulations that "support" India against China and at the same time agitate Pakistan and provoke conflicts between India's Muslims and Hindus, the strategy of the popular forces - defined

at this stage by the demands of the constitution of an anti-compradors front - has to take in once again, here and elsewhere, the measure of the direct relations that comprador management (in place in Russia and India, and threatening in China) maintains with the demands of American geo-political diktats.

Third proposition: Revive Afro-Asian peoples solidarity (the spirit of Bandoung), bring back to life the "Tricontinental"

This solidarity between people of the South runs through their struggle against comprador powers that is produced and supported by "liberal" globalisation. The themes elaborated above concerning the alternative - social progress, democratisation, national autonomy - will find here their *raison d'être*.

There is little doubt that the legitimacy of these comprador powers is being questioned in many countries of the South. Nevertheless, the responses of the people of the South to the challenges they face from the new imperial system and liberalisation make it difficult to advance alternatives that are defined in terms of democratisation, social progress and the construction of a just and negotiated global inter-dependence. For different reasons, the disarrayed popular classes frequently find refuge in illusions that are "fundamentalist", ethnic or religious, which are mostly manipulated by the local comprador ruling classes. These are supported by imperialism and particularly by the US and represent major steps back, which need lucidity and courage to fight. They constitute a major obstacle to the rebuilding of solidarity between Afro-Asian peoples. The impasse that constitutes these communal regressions finds its extreme manifestation in questionable characters like the Taliban, bin Laden, or Saddam Hussein, who were themselves the beneficiaries of the generous support of the CIA, only to become the United States' "Public Enemy Number One".

The counter-point being drawn here is from the reconstruction of national, popular and democratic alliances, like those that brought down some dictators (Mali being a prime example), but also Apartheid in South Africa, and that also brought about Lula's victory in Brazil. These advances - modest when we consider the present dominance of imperialist aggression - are nevertheless potential harbingers of the renaissance of the Southern Peoples front.

In conclusion

The struggle for social justice, democracy and a multi-centric equal international order are inseparable. The United States establishment understands this perfectly. This is why it is moving ahead to implement its own hegemonic international order, by substituting the use of brutal military force for international law and justice. And knowing that that - for them - is the only means by which

impose an unequal neoliberal social order, condemns democracy, where it exists, to degradation, and makes it impossible elsewhere. Resistance movements and people's struggles must understand this. They must understand that their plans for social and democratic progress have no future, if the United States' plan for military hegemony is not stopped.

DRAFT FINAL DECLARATION OF THE PARLIAMENTARY CONFERENCE ON THE WTO

Revised Draft as Adopted by the Steering Committee

1. We, parliamentarians, assembled in Geneva for the Parliamentary Conference on the WTO to discuss matters relating to multilateral trade, are convinced of the need for a parliamentary dimension of WTO. Our objective is to enhance the transparency and accountability of WTO activities.
2. We are committed to promoting further trade liberalisation which should take into account national development policies within an equitable rules-based trading system. The accession of new countries to the WTO is crucial to enable it to become a truly universal organisation. Our goal is to promote trade that benefits people everywhere, enhances development and reduces poverty.
3. We therefore laud the objectives that are set out in the Doha Development Agenda, which puts the concerns of the developing countries at the centre of the multilateral trading system and gives them pride of place in the present round of negotiations. We welcome the fact that the Doha mandate tackles developing country concerns about access to export markets. We applaud the stated intent to phase out agricultural export subsidies, and we acknowledge that the establishment of the Global Trust Fund, to which every developed country should contribute, will greatly increase the resources available for technical assistance in the area of implementation.
4. Nonetheless, the developments that have occurred since the Doha Ministerial Meeting give grounds for serious concern. Progress reported so far is not encouraging and negotiating deadlines set in Doha have come and gone without result. We regret that the deadlines on special and differential treatment for developing countries, and on making the TRIPS Agreement more flexible in order to improve access to medicines, have not been met. An alternative emergency solution for certain pandemics must be implemented.
5. Similarly we are worried at the lack of advances on the fundamental issue of enhancing real access to markets. It is crucial that agreement is reached on reducing barriers to trade in the field of agriculture, textiles and clothing. Agricultural support in wealthy countries, taken globally, is about four times the amount that is paid out in development assistance to the poor nations of the world. We consider that such trade distorting practices, and their social consequences, are unacceptable.
6. We are wholeheartedly committed to raising these issues in our parliaments and engaging our respective trade negotiators in a dialogue and, at the same time, continuing our ongoing parliamentary process relating to

the WTO, especially in the lead-up to the next Ministerial Meeting in Cancun.

7. We do so because we believe that the days when foreign policy, and more specifically trade policy, were the exclusive domain of the executive branch are over. International relations are shaping domestic policies, and external relations have become part of the domestic agenda. Without the introduction of substantive and procedural checks and balances similar to those that are usually applied to domestic policy-making, this tendency will inevitably cause a deficit in democracy at the international level. Real democratic participation is an important goal which has to be linked with the democratic transformation of the entire structure and content of global economic governance. The present initiative and subsequent work are the necessary foundations for this ultimate democratisation objective. We are thus acutely aware of the need for parliaments to participate in the running of public affairs that transcend national borders.
8. WTO is rapidly becoming more than a mere trade organisation. Unlike most international treaties, WTO agreements not only bind nations with regard to the definition of common objectives, but also provide for their enforcement through an effective dispute settlement mechanism. The WTO's decisions have a growing impact on services, utilities, intellectual property rights, government procurement, public health, education, employment, food safety and the environment, as well as the management of natural resources such as forests, fisheries and water.
9. The parliaments from the various nations of the world, as legitimate representatives of their populations, have played a pioneering role in the peaceful evolution of societies. A parliamentary interface is necessary to ensure a better representation of citizens in the multilateral negotiating process. Parliaments embody the sovereignty of the people and can, in all legitimacy, contribute to expressing the will of the people internationally. Their role is also to help citizens understand and cope with the challenges that globalisation poses to their daily lives, and incorporate their concerns into national and multilateral policy.
10. We therefore stress the importance of promoting the parliamentary dimension to the WTO. Building upon the progress and common understandings from previous meetings of the post-Doha Steering Committee, we are determined to push forward the inter-parliamentary process with the WTO which would evolve around regular parliamentary meetings held initially once a year and on the occasion of WTO Ministerial Conferences. We propose that these events be called Parliamentary Conferences on the WTO.
11. The objective of this exercise would be to oversee and promote the effectiveness of WTO activities; maintain dialogue with government negotiators and civil society; and facilitate information exchange, sharing of

experiences and capacity-building for national parliaments in matters of international trade, in particular, concerning the WTO, and to exert influence on the direction of discussions within the WTO.

12. We call upon the Inter-Parliamentary Union and the European Parliament, as joint organisers of this meeting, to implement and work on agreed objectives adopted consensually by the post-Doha Steering Committee. We hope to meet at the forthcoming Ministerial Conference in Cancun to take stock of progress made.

IS FUNDING FROM WESTERN COUNTRIES DETRIMENTAL?

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Introduction

At the beginning of the 21st century, much of the global South continues to face significant economic, social and political challenges. Policies and programmes designed to address these, undertaken by government, inter-governmental organisations and non-governmental organisations (NGOs) over the past few decades, have resulted in some notable achievements. Why NGOs appear to be the favoured vehicle in the delivery of economic, social and political objectives can be attributed to their ability to attract funding for various causes like a "magic bullet". However, at the same time, they run the risk of being co-opted onto the agendas of others, which will erode their independent social base. Furthermore, donor aid to NGOs often leads to incapacity (or donor manipulation), and there is also the threat of the withdrawal of funding by donors.

Fehnel cautions that the importance of donors cannot be overstated. He maintains that without this assistance, many nations could not initiate development activities. In most instances, he holds, assistance brought by international and regional donors to the development agenda of new nations is essential in initiating important activities. Yet the author questions whether this assistance really contributes to sustainable development, whether it comes without any strings attached, and also whether it produces the intended results. These are just some of the important questions South Africa needs to grapple with as it joins the queue of aid-receiving nations.

The South African government is counting heavily on international assistance to support a wide range of initiatives in the public, parastatal and private sectors in order to lift the economy from a decade of recession and give tangible meaning to hopes for a new dispensation. Nevertheless, the assertion that funding for South African NGOs from Western countries is detrimental to the functioning and democracy of South Africa is what this paper hopes to address.

It should be noted at the outset that the terms: Western countries or Western donor agencies will be used interchangeably with the terms Northern countries or Northern donor agencies.

Defining Non-Governmental Organisations (NGOs)

Before one can pursue any further discussion, it is important to forward a definition of an NGO.

Jaggernath defines an NGO as:

"Private, self-governing, voluntary, non-profit distributing organisations operating, not for commercial purposes, but in the public interest for the promotion of social welfare and development, religion, charity, education and research. Specifically excluded are organisations that promote the interests of specified individuals"

Kane in Liebenberg posits three criteria for the definition of an NGO:

- ▼ it should be a private set up (as opposed to being set up by the state) and structured and sufficiently autonomous in its activity and financing. This, above all, is what ensures its non-governmental character.
- ▼ it should be a non-profit-making institution to ensure its "voluntary" or "benevolent" character.
- ▼ it should support development. This is what ensure its "public interest" character, even if governments have introduced legislation to limit the areas in which "public interest" can be exercised.

One can therefore conclude that NGOs have a comparative advantage over governments in a number of areas and consequently have become very important players in the field of development and upliftment across the developing world. Some of their greatest strengths, for example, lie in advocacy and participatory models of development that focus specifically on human development. They are very effective in demonstrating that poverty, no matter how endemic, can be tackled by involving project beneficiaries in planning, implementation and sustainability of projects.

Changes in South African NGOs

Since 1994, NGOs have had to cope with new challenges, argues Govender.

Amongst these challenges are:

- ▼ The advent of a democratic and legitimate state, which freed those who were unwilling to be associated with the apartheid state to now work in the new state. NGO, CBO and trade union capacity therefore became depleted.
- ▼ The service providers have historically been and for the foreseeable future will be dependent on donors for their funding. In post-94 period many donors stopped seeing South African NGOs as a deserving recipient for funds. Many donors chose to establish bilateral links with government. This contributed to NGOs experiencing difficulties in continuing their operations.
- ▼ The strategic focus of the NGOs became confused and diffused.

Donor Agencies and South African NGOs

"International and regional donor agencies come in many forms. Some like the World Bank, the International Monetary Fund (IMF), the European Union (EU) and the United National Development Programme (UNDP), represent many nations. Yet others, such as the United States Agency for International Development (USAID), the Swedish International Development Agency (SIDA) and the British Overseas Development Agency (BODA), represent a single nation. Others, such as the Ford and Rockefeller Foundations, represent private organisations. They vary tremendously in the forms and levels of assistance provided. They are to be found in most "developing" countries and there is no doubt that their presence is needed. They provide funds either through grants or loans; they provide technical assistance in the form of development experts; they provide ideas on how to solve development problems; they provide important access to international information and experience; they provide commodities needed to get the development jobs done. Through their assistance private businesses, NGOs and government agencies are started, reformed and revitalised".

Foreign aid is generally predicated upon the assumption that the West, having developed itself, can help other nations and people to make a similar transition. While conceding that much foreign aid is actually spent in the donor country and that it commonly fosters lucrative opportunities for Western businesses in the Third World, aid donors usually prefer to emphasise the humanitarian or enlightened elements of their self-interest.

As South Africa emerges further and further away from isolation and enters the world, it continues to receive funds from foreign agencies. In 1994, according to Fehnel, newspapers reported that the new government of South Africa had received offers of R11 billion from international donor agencies. R4 billion of the R11 billion were grants with "no strings attached". These funds promised to be a major boost to the government's Reconstruction and Development Programme Fund, which only had R2.5 billion of South Africa's own money at that time. It was further reported that nearly \$5 billion in development grants, loans and NGO grants were "pledged" though not fully committed, disbursed and implemented to South Africa between 1994 and 1999. The European Commission, for example, gave 125 million Euro per year within the framework of the 1997 - 1999 Multi-Annual Indicative Programme to development in South Africa under the European Programme for Reconstruction and Development. According to the World Bank, 12 percent of foreign aid to developing countries was being channeled through NGOs in 1994, and as of 1996, the total amount was \$7 billion worldwide. In 1999, NGOs in Africa manage nearly \$3.5 billion in external aid, compared to under \$1 billion in 1990.

Despite the "generosity" of the Western funders, much attention has recently focused on the roles and agendas of these international agencies which support development programmes in South Africa.

Questions such as: Who sets the agenda for policies and programmes - donors, the government, or NGOs, arose.

Western donor aid to South African NGOs: Detrimental to democracy and the functioning of the country, or not?

In recent years, more and more Northern non-governmental organizations, mainly from America, have been trying to set up operations in South Africa. Their agendas are not always transparent. Often, they claim they have been invited here by some or other local groups, when it is in fact a donor which has taken the initiative. Familiar with the Northern NGO's work elsewhere, a donor may believe (rightly or wrongly) that the organisation has something to offer South Africa. In other cases, an NGO's entry may be based on a purported partnership with a local organisation, but the respective roles of the partners and the nature of the partnership will be far from clear (even to the local "partner"). Sometimes a Northern NGO will argue that since it has addressed a particular need elsewhere, South Africa and the region will benefit from its development wisdom and experience. However, the Northern NGO will often have made little effort to identify sources of wisdom and experience here, nor take into account local organisations which are effectively undertaking just the sort of programme it is offering. It will claim that its intention is to build local capacity, but will not have bothered to find out whether that capacity already exists.

In the past, NGOs had the privilege of receiving funds to provide capacity-building programmes for community-based organisations. When donors discovered that most of this money went into creating NGO offices and paying for their running costs, they responded by creating deterrents which had an adverse effect on local community-based development initiatives. Western donors do not ask: *"What do you know? or, What do you need?"* They focus on what contracted developers determine is good for communities. NGO funding proposals are expected to be formulated in terms of what donors are known to be prepared to fund rather than in terms of what communities themselves have determined to be their priorities. NGOs have been forced to capitulate to a set of rules which favour Western donors. Much of the broader non-profit sector has in turn framed its outlook and principles in this way. NGOs and CBOs which were once coherent driving forces, become fragmented and disempowered. Western donors favour organisations which conform to their requirements. CBOs and NGOs coerced into changing and linking themselves to efficient but ineffective foreign trends,

consequently lost their original purpose and identity. Another critique of Northern NGOs and donors by Southern NGOs, which supports Fani's arguments above, is the fact that the aforementioned continue to set the development agenda without sufficient consultation. For example:

- ▼ projects are based on Northern perceptions of what we as South Africans need.
- ▼ there is often a top-down approach by Northern NGOs and donors
- ▼ southerners have not had the moral courage to challenge the perception of the North, the result has been failure and this failure discourage further investment
- ▼ southerners are best able to define their problems and decide what is locally appropriate to address them
- ▼ the North will not understand the South without taking residence in the South (and vice versa).

A further interesting development is the fact that in many instances NGOs are set up to meet donor needs and programmes. For instance, due to the recent donor emphasis on good governance and democratisation, several NGOs have been registered around Africa to deal with civic education issues. This has led to accusations that some NGOs are primarily concerned with making money and not eradicating poverty, and will appear and disappear depending on where the money is. Earlier, a similar trend occurred with the mushrooming of NGOs dealing with environmental and women's empowerment issues, since these were the hot topics among donors at the time.

NGOs in the South live on a drip, they are ready to take all the aid they can find. In a perpetual state of dependency, they do not try to mobilise local resources in the field that might help make their projects sustainable. "White elephants" are the sad result.

Smith holds that the South African press made much of former President Mandela's speech at the congress of the African National Congress (ANC) in Mafikeng, in which he questioned the legitimacy of the agendas of some donors and NGOs, and of newspaper reports on a right-wing Republican review of the United States Agency for International Development's (USAID) programme in South Africa. The review, according to Smith, accused USAID of political interference in South Africa's domestic affairs.

Further concerns often expressed about donor aid to NGOs is that it leads to dependency and incapacity. In this regard, USAID was again singled out for criticism by the South African National Civic Organisation's Development Finance Commission in 1994. According to Bond,

" In South Africa, USAID is the largest single foreign donor. It told the

Commission "we pick the applications that respond to our strategy". USAID has a large mission with 100 staff and it likes to work closely with recipients because it likes to "massage, strengthen and rewrite proposals. We do a lot of hand-holding." USAID head Cap Dean told us. What USAID did not say was that it also ensures that many of its recipients are so dependent on USAID funding that they cannot refuse US shaping their projects. We were told of several instances in which USAID offered money to communities, and then withdrew the offer when community groups wanted to shape the programme. One community suggested a small start with the building of a community hall, to see if the community and USAID would get on well; USAID refused, saying it was a big project or nothing. In another instance, USAID offered money to set up a loan fund, but then withdrew the offer when the community group said it would charge less than market interest because it seemed improper to make excess profits."

In an address to the International Monetary Fund in 1998, Archbishop Njongonkulu Ndungane (head of the Anglican church for the Southern Africa region) complained that foreign aid to Africa has largely been wasted and has not promoted the adoption of better macro-economic policies. He holds that for every dollar Africa received in aid, it repaid \$1.30 in debt service. He claims that the money is on a perpetual merry-go-round and is not used for development. He further contends that the poor inevitably end up paying the rich.

Ideal donors to South African NGOs

What kind of support do NGOs like and where does it come from in these times of economic hardship? Overseas financial support seems vital, and one might guess that non-governmental organisations would embrace any donor coming along the line. However, that is not always the case.

Professor Wiseman Nkhulu of the Independent Development Trust argues that organisations in developing countries must focus on their own internal strengths before inviting overseas grant makers and donors. He holds that the state must assist in the development of "indigenous institutions" and NGOs by creating the correct environment for this to take place in. The state must also be involved in the appropriate allocation of funding to community-based organisations (CBOs) and NGOs so that they can be released from the "apron strings of foreign donors". This funding strategy Nkhulu maintains will give rise to partnerships in attempts at reconstruction and development. In practice what this means is that NGOs must indicate self-sufficiency before the state gives assistance. Only then, should international funding be awarded.

NGOs are further cautioned to study carefully the past records of donors to find out if they have hidden agendas behind their support.

Demenet reports that some NGOs in the developing world even return money to donors who become too domineering. More often than not, donors who are too bureaucratic and finicky get shunned. Certain NGOs in the South which accept a more contractual relationship insist that funding arrives on time, and that the donor does not change priorities or monitoring procedures in the middle of the project, as often happens.

Conclusion

The will to help is there on the part of donors, holds Fani. However, they are blinded by their belief that recipients are neither entirely deserving, nor able to manage or take charge of their own lives. As a result, they "protect" their contributions with defensive limitations. The conditions which govern foreign donations usually create difficult circumstances for CBOs and NGOs to operate in. Committees are forced to champion foreign ideas and are expected to deliver anticipated miracles. Some donors keep their distance and then pounce on "mismanagement" as the reason for withdrawing funds. Consequently, some CBOs and NGO patiently wait for instructions or approval from their donors. Or, they disintegrate as a result of being inappropriately boxed and labeled. The standard always rests with the donor not with those who are being developed.

It is my opinion that the literature I have consulted proves that Western funding to South African NGOs in some instances undermines the democracy and functioning of this country. Why do I conclude this? South Africa is trying to move away from domineering hindrances imposed on most black South Africans by the former apartheid government, and to be treated now with such intolerable disrespect by Western donors, inflicting the same kind of restrictions on the poorest of the poor they claim to be trying to develop, is totally unacceptable. Not only should alternative strategies be developed by South African NGOs to determine their own destiny and sustainability, government intervention is surely required in terms of policy which sets out clear guidelines for foreign donors. Such policies would not necessarily spell government interference on the contrary, NGOs and government could work side by side towards common social, economic and political goals.

UNPACKING UNEMPLOYMENT

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This paper was presented at the DPRU Conference in 2002

In recent months, the long-running debate on employment figures has taken a new twist. Haroon Borat (2002) suggests that the main way to alleviate joblessness is to focus on skills development, without discussing the prospects for restructuring the economy. By extension, the main causes of rising unemployment lie in inadequate skills, rather than in the failure of employers to create jobs.

This argument has quickly become the common wisdom. Thus, it is now fashionable in some circles of business and government to argue that older people who lack qualifications are simply unemployable. Presumably they can at best expect to live out their lives on charity - or, in Borat's argument, a Basic Income Grant (BIG).

Unfortunately, while we appreciate Borat's insistence that unemployment is a central problem, as well as his support for improved welfare grants, his argument suffers from two important weaknesses. First, it ignores the inconsistencies in the *October Household Survey* figures on employment from 1995 to 1999, and in the subsequent *Labour Force Survey* data. As a result, the core observation - that employment, especially in skilled jobs, is on the rise - is open to question. Second, it contains an analytical fallacy. Even if more jobs were created for skilled than for unskilled people, it does not follow that increasing skill levels would in turn generate more jobs. While skills shortages are a problem, there is no evidence that they are the main obstacle to employment creation.

We here propose a more comprehensive analysis of the causes of joblessness, with a focus on the factors affecting demand for labour and not just supply. In particular, we argue that:

1. The current surveys are fatally flawed by the difficulty of defining employment where there is mass unemployment without welfare support for the unemployed. If we take into account the shortcomings in the data, there is no evidence of substantial job creation since 1995. Nor is there firm evidence that skilled jobs have grown more rapidly than unskilled ones.
2. The main causes of slow job growth lie in the difficult transition from the apartheid growth path. That pattern of growth was rooted in mining combined with substantial state intervention to support (white) capital, and associated with massive inequalities. Starting in the 1980s, social,

economic and political factors undermined this growth path, leading to prolonged stagnation.

3. The solutions to mass unemployment thus lie in restructuring the economy to increase employment opportunities. Critical interventions must address the structure of capital as well as mass poverty in ways that increase economic dynamism and expand the domestic market. In particular, they must:
 - ▼ Direct growth to relatively labour-intensive sectors, both to meet basic needs locally (which should increase domestic demand) as well as by strengthening the value matrices¹ around mining, petroleum and agriculture.
 - ▼ Ensure the poor have greater access to productive assets such as infrastructure and land as well as skills.

This approach means that social programmes aimed at alleviating poverty must help lay the basis for increased employment, both by expanding demand and by increasing the ability of the unemployed to participate in the economy.

The sector summits and the proposed Growth and Development Summit, which were agreed to at NEDLAC, provide critical mechanisms for engaging organised business, labour and the state in restructuring the economy. For them to succeed, however, government must define more clearly what it expects capital to do to help overcome poverty and unemployment; and it must co-ordinate its own activities more systematically around developmental goals.

The first section of this paper analyses the shortcomings with the data on employment, which suggests that Borat's empirical conclusions are incorrect. The second part provides an alternative view of the causes of unemployment and, on that basis, strategies for addressing the problem.

Trends in employment and skills

There is little doubt that high and growing unemployment represents the most important social and economic problem facing South Africa today. The official unemployment rate has risen from 16 percent in 1995, when the figures were first published, to just under 30 percent in September 2001.² Joblessness is worst for young people, at 46 percent of those under 35 (using the expanded definition³) compared to 24 percent for older people. As a result, those under 35 account for 70 percent of all unemployed people. (Calculated from Statistics South Africa 1999)

Bhorat argues that high unemployment results from a lack of skills in the labour force. For evidence, he says that Statistics South Africa's October Household Survey shows growth in skilled and semi-skilled occupations between 1995 and 1998, and a decline in elementary jobs. As policy solutions for unemployment, he therefore proposes:

- ▼ Welfare grants for unskilled unemployed people aged over 40, who are -in this view - unemployable, and
- ▼ Improved skills development for the younger unemployed.

A deeper analysis, however, suggests that the facts do not support Bhorat's understanding of trends in employment, either overall or in terms of skilled work. In any case, even if skilled occupations had grown, that in itself would not support the contention that slow job growth results primarily from skills shortages.

The data on overall employment, 1995-2001

A key weakness in Bhorat's argument is his failure to critique the data on employment. As a result, he does not notice that the reported increase in jobs between 1995 and 1999 arises mostly out of a change in Statistics South Africa's definition of employment to include survival strategies that pay very little or even nothing.

Bhorat relies exclusively on a comparison of employment data for 1995 and 1999, without looking at the years in between. The increase in employment reported in 1999 over 1995 is central to his argument, since it underpins his contention that skilled occupations grew in the late 1990s.

In the event, as Table 1 demonstrates, Statistics South Africa's figures show a substantial decline in employment in 1996, followed by stagnation until 1999, when the figures jump by 10 percent. The first decline largely, although not entirely, reflects the use of the new Census for weights in 1996. The increase in 1999 is harder to explain, since the GDP grew by only 2,1 percent in that year and there was no change in the survey weights.

The employment data did not stabilise after 1999 - indeed, they became more unstable and inexplicable. Thus, after another massive increase in reported employment in 2000, Statistics South Africa reported an 8 percent decline in 2001. Again, as in 1998/9, the figures bear no relationship to broader economic trends.

Table 1. Reported employment and GDP growth, 1995- 2001

	Total employment	% Change from previous year	GDP growth
1995 - Statistics SA	10,152	n.a.	3.1%
1995 - Bhorat (a)	9,399	-1.2%	4.3%
1996	9,287	-8.5%	4.3%
1997	9,247	-0.4%	2.6%
1998	9,390	1.5%	0.8%
1999	10,369	10.4%	2.1%
2000	11,712	13.0%	3.4%
2001	10,833	-7.5%	2.2%

a. Bhorat (2002) recalculates the figures for 1995 using the 1996 Census weights, resulting in a substantially lower figure for employment in that year.

Source: For employment, Statistics South Africa, *October Household Survey, 1995*, Table 1.2.1, p. 5 for 1995; Bhorat 2002, table 1, p. 39; *October Household Survey 1999*, Table B, p. iv for 1996 to 1999; *Labour Force Survey September 2001*, Table H, p. xi, for 2000 and 2001. For GDP, figures at market prices in constant rand, from long-term time series on national accounts (electronic database), from South African Reserve Bank website (www.resbank.co.za)

How can we explain the peculiar fluctuations in employment figures? It seems that the reported increase in employment in 1999 largely reflects an effective change in the definition of employment used in the relevant surveys. Specifically, Statistics South Africa:

- ▼ included more people in the informal sector; and
- ▼ counted "subsistence" farmers - mostly African smallholders in the former homeland areas - as employed, even if they reported no income at all.

As a result of these changes in the definition of employment, reported informal and agricultural employment rose extraordinarily rapidly between 1998 and 1999. (Table 2) The data indicate an (improbable) 31 percent increase in informal employment in that year alone. The data also showed that skilled agricultural employment - which included subsistence farmers - doubled in size. If we subtract the reported growth in the informal sector and subsistence farming, the figure for total employment rose by 2,3 percent in 1998/9.

Table 2.

A. Formal and informal employment, 1995-'9.

	Informal sector	Formal sector	Total
<i>Change in thousands</i>			
1995-'98	325	-1087	-762
1998-'99	640	339	979
<i>Average annual percentage change</i>			
1995-'98	6%	-5%	-3%
1998-'99	31%	5%	10%

B. Employment by occupation, 1998-'99

Occupation	Number (000s), 1999	% Change, 1998-9	% of job Growth, 1998-'99
Total	10 369	10%	100%
legislator, senior officials and managers	684	-6%	-4%
professionals	554	9%	5%
high level	1 238	0%	
technicians and associate professionals	1 042	15%	14%
clerks	1 071	14%	13%
service workers and shop and market sales workers	1 225	6%	7%
skilled agricultural and fishery workers	469	107%	25%
craft and related trade workers	1 355	3%	4%
plant and machine operators and assemblers	1 092	15%	15%
skilled/semi skilled	6 254	14%	
elementary occupations	1 901	14%	24%
domestic workers	799	7%	5%
elementary plus domestic	2 700	12%	29%

Source: Calculated from, Statistics South Africa, *October Household Survey*, 1995, 1998 and 1999.

In effect, then, the reported increase in employment in 1995 to 1999 - which is central to Borat's argument - does not reflect a trend in employment, but rather changes in what is being counted. Both data sets may be correct on their own terms. They cannot, however, be compared to define the trend in overall employment over time.

The effects of including more informal and subsistence workers also emerge in the figures on earnings. These data were not published in 1999, but the trend is clear if we use 1995 and 2001. Unfortunately, the series do not use the same income intervals in real terms. Still, a rough comparison is possible. The figures report:

- ▼ a ten-fold increase in workers earning nothing - from 28 000 to 326 000
 - ▼ a decline in workers earning over R1 000 only from 64 percent to 61 percent.
- Yet the real value of R1 000 in this period dropped by 45 percent⁴. Thus, in September 2001, R1 000 was worth R690 in constant 1995 rand.

These figures indicate a substantial real fall in incomes over this period. That is certainly not the experience of union members. Rather, it reflects the inclusion in employment statistics of survival strategies that, before 1999, were mostly excluded.

Table 3. Earnings by income category, 1995^a and 2001

Note: The cut off point of R1 000 in nominal terms in real terms means a 45 percent lower income in 2001 than in 1995. R1 000 in 2001 was worth only R690 in 1995 rand.

Income category	Total, in thousands		% of total	
	1995	2001	1995	2001
R0	28	326	0%	3%
R1-R999	3 653	3 932	35%	36%
over 1000	6 619	6 575	64%	61%
<i>Total</i>	<i>10 300</i>	<i>10 833</i>	<i>100%</i>	<i>100%</i>

Note: a. the figures for 1995 used the published data, without reweighting in terms of the 1996 Census.

Source: For 1995, Statistics South Africa, *October Household Survey, 1995*, Table 2.3; *Labour Force Survey September 2001*, Table 3.10.

In sum, there is a distinct break in the employment series between 1998 and 1999. As a result, the data are not useful for understanding trends between 1995 and 1999. The data also appear to fluctuate in strange ways since 1999. This suggests that the new definition of employment makes the data since then generally less consistent.

The definitional problems are not incidental. Rather, they reflect the difficulty of defining "employment" and "unemployment" unambiguously in developing economies. As the UNDP points out (UNDP 2002, p. 144) where the unemployed

get no government support, they must resort to survivalist measures, such as begging, subsistence farming, casual labour and hawking. This type of self-employment does not return enough to support families or raise productivity; but it is not pure unemployed, where a person has no earnings at all.

Thus, according to the UNDP:

The concept of unemployment is not always meaningful in developing countries... [T]he problem in developing countries is often summarised as underemployment -a partial lack of work, low employment income and underutilisation of skills or low productivity - rather than unemployment as normally measured. (UNDP 2002, p. 144)

The definitional problems around unemployment reflect the delinking of data collection from the underlying social problem. Unemployment is important, not as an abstract number, but because it means individuals earn no, or only very low, incomes and must thus depend on transfers from family members and the community.

It follows that it is more important to track incomes, and distinguish earnings from transfers, than to debate the "correct" definition of unemployment or underemployment.⁵ By extension, Statistics South Africa should focus more on improving and analysing income data - which are notoriously difficult, but critical for analysing developmental needs.

In short, the break in the employment data in 1999 means that we are really dealing with two data series, which effectively measure two different types of employment. In contrast to Bhorat's argument, it is not possible to use these figures to define trends in overall employment in the 1990s.

Trends in employment by occupation

Central to Bhorat's argument is that employment in skilled and semi-skilled occupations grew rapidly between 1995 and 1999, while unskilled occupations shrank. He argues that this indicates potential for greater expansion in employment if the necessary skills were available.

In the event, the purported increase in semi-skilled jobs seems to reflect the inclusion of lower-paid informal workers in these categories, rather than genuine growth. The data do point to a decline in lower-level formal positions - an important fact for understanding how the structure of the economy has led to slow job creation, as we discuss in the next section.

Table 4 compares the growth in employment by occupation category with changes in earnings. It shows:

- ▼ Contrary to Borat's conclusions, the reported growth in skilled and semi-skilled occupations reflects the redefinition of the categories to include informal, largely survivalist activities, rather than an actual increase in jobs. This follows for the severe fluctuations in growth rate and rapid decline in income reported for these occupations. Thus, skilled and semi-skilled employment reportedly dropped 2 percent in 1995 to 1998, then grew by 6 percent in 1998/9, and by 3 percent in 1999-2001. At the same time, the reported percentage earning under R1 000 climbed from 21 percent to 26 percent.
- ▼ A substantial increase in the higher level managerial and professional occupation in 1995-1999 was reversed in 1999-2000. Incomes apparently did increase in nominal terms in this category, with 54 percent earning under R8 000 in 2001 compared to 67 percent in 1995. This nominal increase clearly does not reflect the real increases in income at this level. By extension, the reported growth in these occupations in the late 1990s was probably somewhat exaggerated.
- ▼ Formal elementary work apparently did decline. Thus, the narrow category "elementary workers" experienced mostly stable pay, while the numbers fell sharply in the 1990s. We discuss explanations for this fall in the next section.
- ▼ The broader data for elementary workers, which we would define to include domestic workers and subsistence farmers, are heavily affected by Statistics South Africa redefinition of "employed" in 1999. As a result, the whole group of elementary workers in fact grew - but as in the other categories, incomes fell dramatically. Borat excludes domestic workers and subsistence farmers from his elementary category, because the data on these groups jump around so much. That is inconsistent, however, since the same argument applies to almost all the semi-skilled occupations, especially those that grew most rapidly.

Table 4. Change in employment and incomes by occupation, 1995-2001

Occupation	Average annual % change ^a				% Earning under R1000 ^a		
	1995-1998	1998-1999	1999-2001	1995-2001	%, 1995	%, 2001	Change in percentage, 1995-2001
Total	0.0%	10.4%	2.2%	2.4%	36%	39%	4%
high level							
professionals	16.3%	8.8%	-6.4%	7.0%	3%	0%	-3%
legislator, senior officials and managers	13.0%	-6.0%	-1.7%	4.6%	7%	2%	-5%
skilled/semi skilled							
service workers and shop and market sales workers	2.7%	6.3%	6.8%	4.6%	30%	41%	11%
craft and related trade workers	6.3%	3.1%	2.9%	4.6%	27%	35%	8%
technicians and associate professionals	-5.1%	15.0%	4.9%	1.3%	4%	7%	3%
clerks	-5.8%	13.6%	1.4%	-0.4%	12%	12%	0%
plant and machine operators and assemblers	-4.5%	15.3%	-0.3%	-0.1%	30%	29%	-1%
elementary (b)							
skilled agricultural and fishery workers	45.3%	106.6%	0.0%	36.0%	28%	74%	46%
elementary occupations	-17.9%	14.0%	5.5%	-5.7%	76%	66%	-10%
domestic workers	n.a.	6.7%	7.1%	n.a.	n.a.	92%	n.a.
high level	14.3%	0.1%	-3.8%	5.6%	6%	1%	-4%
skilled/semi skilled	-2.1%	5.6%	3.5%	1.0%	21%	26%	6%
elementary (b)	-5.0%	19.9%	5.1%	2.1%	73%	74%	0%

Notes: a. For 1995, figures for employment use Borhat's recalculation according to the 1996 Census weights; figures for income use the published data. b. "Skilled agricultural and fishery workers" increasingly consists of subsistence farmers. For this reason, they are included under "elementary" work. The concept of elementary work refers primarily to the market value and formal qualifications of an occupation, rather than the inherent skills level.

Source: For employment, Statistics South Africa, *October Household Survey, 1995*, Table 1.2.1 for 1995; *October Household Survey 1999*, Table B, p. iv for 1996 to 1999; *Labour Force Survey September 2001*, Table H, p. xi, for 2000 and 2001.

Logic

Borhat's argument runs essentially as follows:

1. the demand for skilled labour has risen.
2. therefore skilled workers can get jobs

3. therefore if more workers got skills, they could get jobs
4. by extension, the main reason for slow job creation is a lack of skills

There is an elementary confusion here between supply and demand. If the demand for skilled labour has risen, there is still no evidence that increasing skills levels will in itself lead to a substantial improvement in employment levels. In the event, there is no evidence that the skills shortage in itself is a major factor behind weak job creation.

The evidence certainly does not bear this argument out. In particular, the education level of the unemployed has been rising steadily, even as the unemployment rate has risen. Thus, the share of the unemployed without secondary education has declined from 41 percent to 35 percent. (Table 5) That in itself seems to refute the contention that low skills are the primary cause of unemployment.

Table 5. Unemployment by skills level, 1995 to 2001

	1995 ^a	1998	1999	2001
Total (b)	100.0%	100.0%	100.0%	100.0%
None or only Elementary	41.1%	38.4%	35.3%	35.4%
High school	56.3%	58.0%	61.0%	60.3%
Above high school	2.6%	3.6%	3.7%	4.3%

Note: a. figures have not been reweighted by the 1996 Census. b. not including unspecified. **Source:** Statistics South Africa, *October Household Survey*, 1995, Table 4.3, for 1999; Statistics South Africa, *Labour Force Survey September 2001*, Table 4.7, for 2001.

Conclusion

While Bhorat's article has some important insights, its basic conclusion - that the lack of skills is the main cause of unemployment - does not follow from the available information. By extension, a narrow focus on improving skills will not relieve employment. The next section provides an alternative analysis of the factors behind high unemployment, and on that basis proposes a more complex strategy to address it.

Toward employment-creating growth

We here use the concept of the growth path to set an agenda for analysing job loss and potential employment growth. This concept identifies the main structural issues in the economy in order to support a strategic understanding. Although it should derive from in-depth analysis, the description of a growth path typically aims for simplicity and conciseness.

The key dimensions that define a growth path are:

Relationships between the main economic sectors, and how they fit into an accumulation structure that shapes the investment structure and incomes.

The nature of the main markets, including the articulation with the regional and international economy and whether production targets basic necessities or the high-income group.

Regional development in terms of both spatial development within the country, which is particularly important for developing economies, and links to neighbouring economies.

Class and economic power - that is, the nature of ownership and control - which determine key decisions on investment and markets as well as who benefits from growth.

The state typically plays a critical role in sustaining and directing the growth path, by defining property and power relations, and by how it directs services spatially and sectorally. This role is most important in countries in transition from one socio-economic order to another.

We first examine South Africa's growth path under colonialism and apartheid.

The apartheid growth path

Most economists agree on the nature of the South African growth path from at least the turn of the century until the middle of the 1980s. We here analyse in terms of the categories outlined above.

Main economic sectors: Exports of gold and other minerals essentially financed the growth of import-substitution manufacturing as well as infrastructure, and paid for the imports these industries needed. To this day, over half of all exports are minerals based. From this standpoint, South Africa was a classic resource-based economy, using its abundance of minerals and energy for large-scale, often relatively capital-intensive export production. It had weak downstream linkages from minerals beneficiation and did not create enough employment. But it generated substantial investible surpluses. Upstream, mining led to the establishment of advanced but narrowly focused inputs industries.

Markets: Gold and other minerals were exported internationally. Domestic demand was limited due to unusually large inequalities in income. Manufacturing focused on relative luxuries for the high-income group, with exports centred disproportionately on southern Africa.

Regional: Spatial inequalities were integral to the apartheid growth path. On the one hand, the homelands stood apart both administratively and economically. They became extraordinarily impoverished regions with particularly corrupt, underfunded and understaffed government services and weak infrastructure. On the other hand, South African mining capital and trade dominated much of the region, while from the mid-1970s military attacks undermined neighbouring economies.

Class power: Mining-based economies are typified by relatively large-scale production and capital-intensive refining. These factors tend to generate substantial inequalities in income and wealth, which apartheid aggravated. Mining and agriculture relied on cheap unskilled labour generated largely through the migrant labour system, with the concomitant impoverishment of black rural areas. A narrow complex of mining and financial capital dominated the economy. State-owned enterprise organised vast new manufacturing and beneficiation ventures by supplying infrastructure and capital. Commercial agriculture also enjoyed substantial state support. Foreign investment was large compared to the rest of Africa, mostly in the form of loans, holdings of gold shares, and direct investment, especially in mining, manufacturing and the financial sector.

Role of the state: State action largely shaped the growth path, providing cheap labour, investment capital, subsidised infrastructure and energy, and tariff protection for domestic manufacturers.

Various structural elements in this growth path laid the groundwork for high unemployment.

- ▼ Mining and luxury production, which characterised much of formal production, are inherently capital intensive. Except in the period of rapid expansion in the 1950s and 1960s, they did not create much in the way of new formal jobs. But unusually large inequalities in incomes limits domestic demand, especially for basic goods and services whose production is relatively labour intensive.
- ▼ Massive inequalities in access to productive assets, including land and infrastructure meant workers had to accept lower wages - but produced mass unemployment if the formal sector did not offer jobs at any wage. The apartheid system notoriously strengthened long-standing colonial restrictions on black land ownership. In addition, under apartheid black households and communities had very limited access to basic infrastructure, limiting the potential for small and micro enterprise. In the mid-1990s, South Africa still had lower levels of piped water, sanitation, electricity and access to transport than most other middle-income countries.⁶
- ▼ Apartheid policies sought to reduce black access to qualifications so as to prevent competition with white skilled workers. Most studies show that South Africa still has a lower level of training than other countries at a comparable level of GDP, despite the substantial improvement in education amongst

younger workers. According to the UNDP, while South Africa ranked 29th in terms of GDP amongst over 100 developing countries in 2000, it still ranked only 39th in terms of adult literacy. Although low skill levels are not the primary cause of unemployment, they certainly make employment creation harder.

- ▼ Apartheid spatial policies added to the problem. It pushed the un- and underemployed to remote rural regions; and located working class housing far outside of city centres and industrial areas.

The structural factors inhibiting employment creation came to the fore when the apartheid growth path ran into trouble, especially from the mid-1980s. Gold mining faced a decline at least from the early 1980s. In 1985, the economy suffered a massive outflow of foreign capital, essentially as the result of popular opposition to apartheid. Then, starting in 1989, with the transition away from apartheid, the economy became increasingly open to foreign trade and investment. Finally, from the mid-1980s and especially after 1994, the state ended or reduced many long-standing forms of support for (white) capital, including parastatal investment in infrastructure, tariff protection, laws that suppressed labour and agricultural marketing.

Challenges from 1994

The disintegration of South Africa's historic growth path meant the democratic government had to manage immense changes in the economy as well as political and social conditions. The main factors dampening investment and growth included the unavoidable and rapid exposure of the economy to international markets after 1989; big capital's distrust of the democratic system and the associated changes in society and work organisation; and continued stagnation in gold mining. In these circumstances, low investment aggravated the structural factors that prevented rapid job creation. Moreover, investment often went to increase efficiency rather than output, leading to further job losses especially in manufacturing and mining.

The liberation movement had historically argued that growth and redistribution must go hand in hand, since the extreme inequalities in income, wealth and skills inherited from apartheid both constrain domestic demand and undermine productivity and employment. Experience from around the world, and particularly from South East Asia, has demonstrated that sustainable and robust growth requires more equitable distribution of incomes and wealth.⁷ Successful economic strategies must thus ensure that growth helps strengthen the domestic market by raising living standards and increasing the assets of the poor on a mass scale.

From this standpoint, government policy after 1994 was rather contradictory. On the one hand, it established a number of strongly redistributive programmes; on the other, particularly after the adoption of the GEAR in 1996, it increasingly looked to free markets and competition to grow the economy, and cut back on its

own spending and economic power.

Redistributive strategies included:

1. laws protecting workers' rights to organise and strike, and to minimum conditions of service
2. efforts to target social services and household infrastructure increasingly at poor communities, although total expenditure on these functions fell in real terms between 1997 and 2000
3. a large-scale skills development programme
4. land reform and support for small and micro enterprise, both on a fairly small scale

Strategies geared at freeing up markets included:

1. limits on government borrowing and taxation, based on a "crowding out" argument,⁸ which led to real cuts in government spending between 1997 and 2000. This fiscal policy tightly constrained redistributive efforts and the capacity of the government to intervene to restructure the economy. It led to a particularly sharp fall in government investment, which is easier to cut than recurrent expenditure.
2. substantial reductions in tariffs. While deep cuts were required when South Africa joined the GATT (later the WTO), in clothing and machinery, at least, tariff cuts were sharper than required. Moreover, a series of bilateral agreements have led to further cuts, usually with little if any research into employment effects.
3. the introduction of supply-side measures primarily to expand exports, with virtually no support for production for the domestic market.
4. the very rapid reduction in support for white commercial farmers and the institution of a free market in agriculture.
5. the restructuring of state-owned assets. Despite a few exceptions, the thrust of the restructuring was:
 - ▼ to introduce market pricing into the provision of basic infrastructure, despite some limited and not very successful efforts to cross-subsidise the destitute.
 - ▼ to close down or sell off government's productive assets, such as the forests and various provincial agricultural projects.

This combination of strategies meant that government could not adequately address the factors underlying high unemployment. On the one hand, growth remained slow and investment stagnated at between 14 percent and 18 percent of the GDP. On the other, massive job losses occurred amongst unskilled workers in mining,⁹ the public sector and commercial agriculture; while skilled and semi-skilled workers in manufacturing always saw substantial lay offs.

Toward a new growth path.

The analysis provided here suggests the need for substantial restructuring in order to create jobs on the necessary scale. Only more coherent government interventions, which explicitly prioritise employment creation, can achieve this aim. We here explore the general direction required in terms of the key dimensions of the growth path.

Production structure

To create jobs, the trajectory of growth must shift toward relatively labour-intensive industries, and away from the current emphasis on mining and refining plus relatively high-class consumer durables.

Viable labour-intensive industries include both potentially competitive activities, that can produce for export or replace imports, and sectors that are largely directed at domestic production and consumption.¹⁰ Potentially job-creating competitive sectors include:

- ▼ food production and processing, especially in horticulture
- ▼ the fabrication of metals and chemicals based on downstream linkages from minerals and petrochemical refineries
- ▼ many services, including tourism and communications
- ▼ cultural industries

Labour-intensive sectors oriented to the domestic market and to some extent the region include:

- ▼ most construction of housing and infrastructure
- ▼ production of basic food, appliances and services
- ▼ the retail sector
- ▼ commuter transport

These industries provide opportunities for micro and small enterprise, both as producers and by providing key inputs for home-based production of goods and services. Available estimates suggest that they have the greatest potential for creating employment, especially in agriculture (with land reform), construction and services.¹¹

Markets

South Africa must engage with world markets both because it depends on some imported inputs, including petroleum and many capital goods, and to keep up with technological advances. At the same time, international markets remain unstable, speculative and subject to unfair trade practices. By extension, we must find ways to ensure more robust domestic markets, providing greater stability, while increasing the value added of exports.

Given low incomes for the majority, expanding domestic markets requires greater emphasis on providing basic goods and services. Redirection of investment to these ends should gradually lower the cost for most South Africans of food, infrastructure, transport, pharmaceuticals, and domestic goods and appliances. If combined with measures to fight poverty, including an increase in the social wage, this strategy will over time expand the domestic market. It should also cut the cost of living, leading to a more efficient economy overall.¹²

A critical element in this strategy is to rethink the provision of household infrastructure to expand demand for domestic inputs while maximising the overall employment effect. Infrastructure must increase opportunities for home-based production by improving the supply of electricity, basic telephony and water. Moreover, housing must be located close to jobs, rather than - as is now often the case - far from the industrial centres.

It is also essential to secure a sustainable expansion of trade with the region. For many industries, especially manufacturing as well as some services and infrastructure, the rest of Africa already forms a critical market. But it is plagued by political and economic instability, and has a significant trade deficit with South Africa. We need to find ways to increase two-way trade and support sustained growth in the region.¹³ In the short run, that means supporting imports from neighbouring countries in ways that increase total employment in the region. Food and electricity have potential in this context. In the longer term, we need to develop more integrated production structures that support Southern African development. That requires improving regional infrastructure, including communications and transport links.

Last, trade with the rest of the world cannot be neglected. Gradually, exports should include more relatively labour-intensive products using local raw materials - essentially agricultural and fabricated metal goods, services and cultural products. The industries upstream from mining - capital goods and chemicals, in particular - can provide another basis for increased exports. Tourism should also form a growing source of foreign income.

To take advantage of domestic and export markets requires a strategy for redirecting and strengthening retail trade. This is a particular problem in townships and rural areas, where informal marketing is associated with a high mark up, raising the cost of living and cutting domestic markets. Retail also forms an essential link between micro producers, including farmers and cultural workers, and consumers at home and abroad. A policy in this area should cover measures to reduce the cost of basic necessities to households, support small and micro enterprise, and market manufactures and services abroad.

Regional development

Overcoming the apartheid past is particularly urgent in respect to the former homeland areas. These regions are characterised by weak social and economic infrastructure and services and dependence on survival and micro enterprise.

Generally, we need to integrate sectoral strategies and regional development programmes, including Spatial Development Initiatives (SDIs), local government Integrated Development Plans and the integrated rural development strategy.

More explicit policies must manage rapid rural-urban migration, as well as ways to accelerate rural development. We need to assess the effectiveness of the integrated rural development strategy in addressing this problem. Effective measures must include much more rapid extension of basic infrastructure (which has cost implications), a clearer programme on land reform and agricultural development, and much more attention to the provision of education and skills.

Class

To achieve dynamic growth linked to more equality in incomes and wealth, the new growth path must transform both capital and labour. That means:

- ▼ making existing large-scale capital in the private and public sector more accountable;
- ▼ developing a co-op movement;
- ▼ supporting the growth of small and micro enterprise;
- ▼ restructuring financial investment; and
- ▼ building a skilled labour force with far higher levels of employment.

Most of **big capital**, in both the public and private sector, has not transformed its operations to ensure that the economy empowers the majority. The main components here are the financial institutions, mining companies and state-owned enterprise. Thus, of the top 15 companies in South Africa in 2000, 12 are financial institutions, two - Anglo American and De Beers - are mining companies, and one, Transnet, is a parastatal.

All three components of big capital are undergoing massive changes.

The financial institutions and mining companies are engaged in a complex process of mergers, restructuring and internationalisation. This has led to a substantial outflow of capital both on the capital and on the income account, as the following table shows.

Table 6. Investment and income flows into and out of South Africa, 1990-2001

	1990	1995	2000	2001
Investment abroad by South African companies	1,234	12,589	28,453	83,497
Investment from abroad into South Africa	2,625	32,370	28,779	99,355
Net investment flows	1,391	19,781	326	15,858
Investment income received from abroad	1,420	3,827	15,191	17,813
Investment income paid abroad	9,858	12,496	35,212	48,913
▼ direct investment income	2,486	1,939	16,200	24,406
▼ non-direct investment income	7,372	10,557	19,012	24,507
Net income flows	-8,438	-8,669	-20,021	-31,100

Note: 1. The figures for investment in 2001 are heavily distorted by the restructuring of Anglo American, which resulted in its listing in London and a change in the nature of its shareholdings in De Beers. **Source:** calculated from SARB, Long-term data on balance of payments (www.resbank.co.za).

State capital, which was largely corporatised in the 1980s, is being subject to measures that, as noted above, have tended to make it increasingly subject to market dictates. As a result, it has both downsized substantially - especially at provincial and local level - and become less able to undertake developmental efforts.¹⁴

For big capital in both the public and private sectors, we need to ensure that restructuring contributes to overall development, empowers the majority and supports the democratisation of the society as a whole. As a rule, the large size of the enterprises concerned reflects economies of scale for production and investment in their sectors relative to the economy. Often, we must use their capacity to restructure the economy. That means solutions must look to regulation and changes in accountability structures, not to downsizing or divisions in either the private or public sector.

In this context, the restructuring of state-owned enterprise must do more to ensure affordable household infrastructure and to support for labour-intensive activities and small and micro enterprise. That will require a reversal of the current programme of commercialisation and at least partial privatisation.

A **co-op movement** provides a further way to develop new centres of capital. Such a movement involves an array of interdependent co-operatives and service organisations in establishing a new, dynamic sector. To set up such a movement, we need a consistent framework to support producer and consumer co-ops, including more appropriate legislation, definition of their role in sectoral strategies, and priority access to programmes to support small enterprise. In addition, unions can establish consumer co-ops, reducing the cost of living to members and providing an outlet for domestic producers.

In an economy dominated by capital-intensive sectors, it is virtually impossible to imagine substantial growth in **small and micro enterprise**. Opening the door to smaller scale production requires accelerated development of the more labour-intensive sectors of the economy, particularly in manufacturing, services and agriculture. Sectoral changes must be accompanied by measures to encourage smaller producers of goods and services. This process must be linked to rising employment and growth, or we risk merely replacing better-paid formal jobs.

We also need stronger strategies to upgrade survivalist and informal enterprise. In this context, the development of the co-op movement should provide the basis for greater economies of scale. Additional steps include:

- ▼ the expansion of household infrastructure, especially water, electricity and telecommunications.
- ▼ transformation of the retail sector, both to market the outputs of SMMEs and to supply them with necessary inputs. The common practice of oligopolistic pricing by the minerals and petrochemicals refineries (that is, import-parity pricing or IPP) needs to be addressed.
- ▼ transformation of the financial sector to ensure credit becomes available to smaller borrowers, including home-owners, micro enterprise and co-ops, and to support land reform and improvements in infrastructure. That requires a review of ownership and operations in the banking sector.

Land reform is often presented as the critical way to create jobs and expand the asset base of the poor. The current process, however, is far too slow to dent unemployment; and it is not clear that the unemployed are interested in farming. We need urgently to clarify what we expect from land reform.

The establishment of a high-productivity, high-wage **labour force** is also necessary to ensure growth benefits the majority of our people. This is only possible if the economy is restructured to expand employment on a mass scale. It also requires accelerated implementation of the skills development strategy.

Strategies to restructure the economy

Perhaps the most important obstacle facing the shift to the new growth path remains resistance from capital. To overcome that resistance requires a combination of popular pressure and government intervention with efforts to demonstrate that a more equitable and job-creating growth path is in the long-term interests of all South Africans.

This approach requires an institutional arrangement to promote the development of a shared vision amongst major shareholders, with agreements on how to achieve it. It means that all stakeholders, and especially big business, must face

pressure to adopt long-term strategies to maximise overall social gain as opposed to short term measures for individual benefit.¹⁵

A central focus of engagement must be at the sectoral level. International experience has shown that virtually all successful industrial strategies internationally have largely derived from consultative structures at sectoral level.¹⁶

The agreement reached at the Presidential Jobs Summit in 1998 committed parties to engage in sector summits. This commitment has been reaffirmed in NEDLAC. To date, sector summits have been held for mining, clothing and textiles, the public service, information and communications and the financial sector. While none of the agreements has been perfect, in each case an institutional structure was initiated that can lead to stronger sectoral strategies in the future.

Conclusions

The main sources of un- and underemployment in South Africa lie in the structure of the economy and the society inherited from apartheid. In itself, increasing skill levels - while clearly desirable and important in the long run - will not be adequate to address rising unemployment. Rather, we need strong and co-ordinated measures to restructure the economy in ways that will support employment creation. Effective interventions must be geared consistently and systematically toward the new growth path. Far-reaching restructuring of the economy cannot be achieved if we frequently change direction because of lobbying or hopes for short-term gains.

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¹ We are indebted to the DTI for the concept of value matrices, which refers to the full range of linkages around an industry - upstream, downstream and sideways.

² Calculated from Statistics South Africa, 2001, Table 5.3, p. 48, for 1995; and 2002a, Table 2.5, for 2001

³ The expanded definition of unemployment counts as unemployed workers too discouraged to seek work actively.

⁴ That is, the CPI rose 44.9% between October 1995 and September 2001.

⁵ For its part, the UNDP argues that developing a consistent definition of underemployment, and collecting data on that basis, can resolve the dilemma. (UNDP 2002, p. 144)

⁶ For instance, in terms of GDP per capita South Africa ranked 29th of over 100 developing countries included in the UNDP *Human Development Report 2002*, but only 43rd in terms of access to piped water.

⁷ The UNDP found that South Africa's income distribution ranks third worst in the world, following Brazil and Uruguay. In the early 1990s, the richest 10 per cent of South Africans got around 45 per cent of the national income, compared to between 30 and 40 per cent for almost all other middle-income developing countries, and 24 per cent in South Korea.

⁸ That is, a belief that higher government spending - and therefore borrowing and taxation - cuts into the resources available for private investment.

⁹ Bhorat (2002) argues, using OHS data, that employment in mining grew in 1995-'99. The Survey of Employment and Earnings (SEE), which presents information from the Chamber of Mines, suggests a continual fall in employment in gold mining from 1987, when it peaked at 561 000, to 2002, when it fell to under 200 000. At the same time, employment in non-gold mining fluctuated between 198 000 and 214 000. (Statistics South Africa 2002b) The question of whether the OHS or the SEE is more reliable is always vexed. For mining, given the relatively strong organisation of employers, the SEE seems a better choice - even if it were possible to read trends off the OHS for 1995-'99.

¹⁰ Sometimes called "non-tradable" sectors.

¹¹ Estimates of potential employment growth by sector kindly supplied by Dr Miriam Altman of Wits P&DM.

¹² An example of the importance of targeting basic needs emerges in agriculture, where a strong link to ensuring food security for all households leads to very different measures from an approach that only focuses on already recognised demand. Similarly, in auto production, it would suggest a need for measures to support the production and financing of taxis.

¹³ Some proposals to increase trade within the region, for instance by relaxing the rules of origin on wheat, could actually displace more jobs in South Africa than they create in neighbouring countries.

¹⁴ For a more detailed description of the changes in state capital, see COSATU 2002.

¹⁵ In effect, to some extent all participants must accept "second-best" solutions from their standpoint in order to maximise overall social gains.

¹⁶ See Campos and Root 1996..

COSATU'S ALLIANCE WITH THE ANC

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Introduction

Alliances of trade unions and political parties are a phenomenon which characterised social democratic politics and national liberation struggles throughout the 20th century. In some developed capitalist societies such as Britain and Australia, the relationships developed out of trade unions initiatives to extend their influence into the parliamentary arena through the formation of labour parties. The experiences of developing societies, many of which emerged from prolonged periods of colonial rule, are slightly different in that the relationship between unions and liberation movements emerged in the context of national liberation struggles. However, all these relationships shared certain features. Firstly, most of these union-party relations emerged before the political party or liberation movement assumed political power. In other words, these alliances were initially oriented towards political mobilisation to win state power which was seen as a decisive resource for the extension of the political influence of the unions and their allies.

Secondly, these alliances pivoted on the notion of a "developmental state" as a vehicle for the extension of the political and developmental objectives of the unions and their allies.

Thirdly, the notion of union-political alliances has its origins in social democratic and Marxist political traditions. Even in those cases where neither the unions nor the party professed to be social democratic or Marxist, some traits associated with these political traditions can be discerned.

Finally, union-party alliances were predicated on a high degree of social and political consensus and a minimum of political competition between the unions and the parties.

Alliances between trade unions and political parties in South Africa date back to the early years of the 20th century when white unions formed an alliance with the white Labour Party. But it was only in the 1950s, with the formation of South African Congress of Trade Unions (SACTU), that a strong alliance was established between a trade union federation and the African National Congress

(ANC). During its time, SACTU established a strong tradition of "political unionism", a notion based on the view that under the specific conditions of apartheid South Africa the trade union and political struggles could not be separated.

The alliance between COSATU, the ANC and the South African Communist Party (SACP) built on the 1950s and 1960s tradition of union-party alliances in the liberation movement. This alliance was formally constituted in 1991, a year after the ANC and the SACP had been unbanned and it shared most of the features of union-party relations identified above. Eleven years have passed since then and many observers have noted serious stresses inside the alliance, particularly since the ANC became the ruling party in 1994. Many of these analyses have been preoccupied with debating the desirability or otherwise of this alliance in the light of the ANC government's embracing of neo-liberal policies. Others see the alliance as a "principal obstacle to the emergence of a viable opposition and the establishment of a truly competitive politics in South Africa" (Habib and Taylor, 2001: 219). However, none of these analyses address the central theoretical question in the field of labour studies, namely, the general fragility of union-party alliances in the contemporary world. This paper takes the debate further by providing a framework for understanding the nature of these alliances. It argues that a critical shortcoming of existing analyses is their failure to locate union-party alliances in the context of a transition from "social regulation" to "market regulation". This point is developed further below.

From Social Regulation to Market Regulation

The crisis of union-party relations is not unique to any country or society. Thus the stresses in the political alliance between COSATU and the ANC in South Africa need to be located in a context of changing forms of regulation of social and economic relations in the contemporary world. In the 20th century the major shift in this regard was the one from social regulation to market regulation. At the centre of our argument in this paper is the proposition that union-party alliances are part of the package of social and political arrangements characteristic of "the era of social consensus" in which the developmental state was the predominant political model. Under market regulation, these alliances appear to have become politically and socially anachronistic.

The era of social regulation corresponds roughly with the period from the end of the second world war to the mid-1970s. Anthony Giddens has referred to this period as one of "classical social democracy" which represented a political philosophy "quite distinct" from that of its opposite, neo-liberalism. This political philosophy is best summed up as one characterised by a "strong government presence in the economy" and a Keynesian "welfare consensus" where "collective decision-making, involving government, business and unions, partly replaces market mechanisms"

(Giddens, 1998: 9). Social regulation fostered consensus through alliance formation and social partnerships of various kinds and provided safety nets which ameliorated the ravages of capitalism. This was the basis of union-party relations and it often provided labour with opportunities for tremendous influence in the formulation and implementation of policy. Even in those instances where labour was repressed or marginalised in these alliances, the developmental state which was characteristic of social regulation took care of many of labour's concerns, including ensuring full employment and taking care of the social wage and social security needs of the working class. Commentators have referred to this period as the "Golden Age" of developed capitalism.

What is not emphasised enough in the literature is the fact that trade unions, and trade union alliances with political parties, were part of the institutional architecture necessary for consensus building characteristic in the era of social regulation. Of course there are cases where union-party relations predated the period of Keynesianism by several decades. But it was during the Golden Age that these relationships were harnessed as part of broader social consensus processes to achieve Keynes' objectives of efficiency, social justice and liberty. Adam Przeworski has argued that in the history of Western Europe, political parties, together with trade unions, were "the main mechanism of incorporation of the masses into the political system" (Przeworski, 1995: 53). He singles out working class parties, and parties of the left in general, as instruments through which subordinate social groups fought for democracy and learnt to process their interests through democratic institutions. During this period, trade unions, particularly those in developed capitalist countries, were by far the most powerful and influential political forces that fought for broad social programmes and social legislation. Thus, during this era union-party alliances often provided the most effective institutional form to attain these objectives. Indeed, many union-supported political parties assumed political power as a result of broad-based mobilisation by these alliances.

In many societies which had experienced colonial rule, similar union-liberation movement alliances emerged during the period of struggle for national liberation. Initially, many of these alliances took the same form as those alliances which had emerged in developed Western societies. However, after independence these alliances followed a different trajectory, most often one characterised by the subsumption of workers' claims to universally defined rights and entitlements under the project of "nation building".

But it was the shift from social to market regulation in the mid-1970s that brought about the most severe crisis for union-political party relations in general. Market regulation changed the conditions and eroded the basis for stable union-party relations. Neo-liberalism, particularly the notion of a minimalist state, resulted in

the emasculation of the state and the inability of ruling parties to make long-term political alliances with interest groups and civil society organisations such as trade unions.

One observer has referred to the free marketeers' hostility to the welfare state as "market fundamentalism" (Giddens, 1998). Market fundamentalism is characterised by a devout belief in the virtues of the unfettered market capitalism and a strident opposition to any attempts to impose regulation on economic life. This fundamentalism is the stock in trade of leading ideologues and think-tanks of capital as well as some leading members of the capitalist class. However, at the level of intellectual and public political discourse, particularly among recent converts to free market economics, this fundamentalism manifests itself as market populism. Market populism is an intellectual and discursive approach which asserts virtues of the market but does not bother to produce evidence to demonstrate this. In other words, market populists hold the efficacy of the market as a universal truth and are not interested in seeking alternatives to the *laissez faire* capitalism. The market is presented as a benevolent form of regulation which serves the "national interest" by benefiting all social groups equally. Those challenging this view are considered politically immature and unpatriotic. Finally, market populism holds that all social groups have to compete in the political marketplace and the state cannot be seen to align itself with any specific group (even though in reality it is supportive of business interests). Thus, market regulation is hostile to the trade unions in general and associated notions of union-party alliances. In recent years, market populism has been wielded by former national liberation movements and parties of the left which have been swept into power by a predominantly working class vote but find the logic of market hard to challenge. The ANC in South Africa is one such former liberation movement which has found market populism a convenient tool to justify its embrace of free market economic policies and to bring into question the political legitimacy of its critics.

One scholar of political institutions in new democracies has argued that pacts of any kind can be exclusionary cartels which "distribute benefits of political power among insiders". He argues that these pacts contain the danger of turning democracy into "a private project of leaders of some political parties and corporatist associations who extract private benefits and protect their rents by excluding others" (Przeworski, 1995: 54). In short, many free marketeers would argue that union-party alliances are not desirable in a liberal democracy which subscribes to the idea of the free market.

The foregoing brings us to the core of our argument in this paper, namely, that under market regulation, market populists present these alliances as political and social anachronisms which contradict the notion of free markets. While political

parties which are still contesting for political office may find it convenient to align themselves with powerful trade unions in the lead up to democratic elections, the hegemony of neo-liberalism and the general weakness of political parties makes it difficult for these parties to resist the logic and power of this ideology. Thus, as soon as a party is elected into power, it embraces the logic of neo-liberalism and uses market populism to marginalise its erstwhile labour allies. The speed with which this occurs varies from one context to the next. But the general pattern is that under market regulation union-party relations seldom survive in any meaningful way beyond the first few years of the new government's tenure in office.

The sections which follow use the alliance between COSATU and the ANC in South Africa to illustrate this argument.

The COSATU/ANC Alliance in South Africa

As indicated above, the history of alliances between trade unions and political parties in South Africa go back to the early years of the 20th century. But the tripartite alliance between COSATU, the ANC and the SACP is a relatively more recent development. After the re-emergence of black unions in the 1970s, union engagement in politics and in alliances with political parties was the subject of heated debates within the emerging mass democratic movement. This led to the "populist"- "workerist" division in the 1980s, the former being unions which preferred engagement in politics and alliances with liberation movements and the latter opting for political non-alignment and a strategy of building a strong shopfloor base. Workerist unionists were suspicious of nationalist politics which liberation movements such as the ANC were seen to represent.

The formation of COSATU in December 1985 represented a change in strategy by the unions affiliated to the new federation. In addition to its shopfloor struggles, the new federation took an overtly political stand. Jay Naidoo, then general secretary of COSATU, explained why political involvement was imperative:

Experience has taught us that it is not enough to simply concern ourselves with factory issues. Non-political unionism is not only undesirable, it is impossible. And this basic truth has become increasingly clear to the organised worker movement (Naidoo, 1986: 34).

This position led the new federation to explore the possibilities of alliances with other organisations within the liberation movement. In March 1986, it met with the leadership of the ANC and the exiled SACTU to discuss issues of common interest. These discussions brought COSATU much closer to the ANC than any of the other liberation movements. Although no formal agreements were reached, the meeting noted that COSATU was "an essential component of the democratic forces of our country" and had a task of engaging workers in "the general

democratic struggle". It was also agreed that "the advancement of the interests of the workers and the democratic struggle of our people requires that COSATU, in working together with other democratic mass organisations, seek to build disciplined alliances so as to ensure the mobilisation of our people in united mass action" (ANC-SACTU-COSATU, 1986). But these talks and the tentative agreements they resulted in did not immediately lead to the formalisation of the alliance as the federation had to accommodate the concerns of those within its ranks who were opposed to alliances with nationalist movements. This issue threatened to cause a split in the federation, but the Second National Congress in 1987 managed to reach a compromise between the two main political currents in the federation.

The history of ANC-COSATU relations before 1990 is well documented. However, three issues warrant attention at this point. Firstly, COSATU's acknowledgement of "the leadership of the ANC" was reciprocated by the ANC's acceptance of COSATU as "an essential component of the democratic struggle". Even though there was no formal alliance at this time, the federation's adoption of the Freedom Charter in 1987 strengthened its credentials as part of the democratic movement. In a situation where the ANC was exiled and the United Democratic Front (UDF) effectively forced to operate underground, COSATU virtually became the only visible representative organisation of this movement which had direct access to the masses.

Secondly, COSATU experienced a dramatic membership growth. For example, between 1985 and 1991, its membership increased from 462 359 to 1 258 853. These members were organised in vibrant structures across the country, an achievement which neither the exiled movements nor the other internal opposition groups could match. This strength significantly enhanced the stature of the federation within the democratic movement. Thirdly, in the late 1980s mass action by COSATU and the ability of its leadership to provide direction to the mass democratic movement (MDM) tended to overshadow the ANC's armed struggle and the political campaigns of internal organisations such as the UDF, thus earning it a *de facto* leadership role of the struggle. This put the federation in a powerful position from which it would not be easy for the ANC to dislodge it.

The unbanning of the ANC and the SACP in 1990 resulted in a formalisation of the alliance the following year. Although the ANC was regarded by its two partners as the leader of the alliance, this leadership did not necessarily translate into a consolidation of ANC hegemony as some have suggested. Given that the ANC was still pre-occupied with re-establishing itself as a mass-based organisation and with getting the negotiation process off the ground, it was not an easy task for it to simply re-occupy its leadership of the democratic movement in general, and the alliance in particular. In other words, the displacement of COSATU as the

de facto leader of the internal movement was a more gradual process than many analysts realise. Up until 1994 the ANC found that it had to re-negotiate the terms on which it assumed the leadership of the alliance. On its part, COSATU made sure that it tied the ANC to a radical programme of transformation which the Reconstruction and Development Programme (RDP) came to embody.

Thus, while it is accurate to suggest that the displacement of COSATU started in this period, moves by the ANC to sideline the trade union federation were tentative at first because the ANC was aware that its leadership of the alliance was still extremely tenuous. Notwithstanding the popular appeal of the movement and its national leadership, the ANC could ill afford to antagonise or alienate COSATU given the federation's strong influence at grassroots level.

Many analyses of the alliance also fail to pinpoint key moments of this process of marginalisation of COSATU. This discussion argues that there are key identifiable moments which mark the re-assertion of the ANC's leadership of the alliance. Firstly, the conceptualisation of the alliance as one "led by the ANC" is important to note in this regard. But this in itself did not result in the marginalisation of the other partners in the alliance. Secondly, the exclusion of COSATU in the negotiation process solidified the ANC's leadership and relegated COSATU to the status of a bit player dependent on the goodwill of the ANC. However, this should not be overstated as COSATU retained the ability to use mass action to unlock the transition process when it seemed to stall. Thirdly, the fact that the RDP became an ANC election platform (even though it was a COSATU initiative) allowed the ANC to get the credit, thus boosting its credibility with the grassroots membership of all the alliance organisations. Finally, and most crucially, the ANC's election victory and the fact that it captured state power was the final act in the consolidation of the movement's hegemony within the alliance. State power gave the ANC the freedom it needed to take decisions without having to refer them to the alliance. For COSATU, this was the beginning of a new phase where its influence started slipping away.

In the post-1994 period the ANC-COSATU alliance had several advantages for the organisations concerned. For its part, COSATU could count on an ANC government which was more sympathetic to the concerns of its constituency. This allowed the trade union federation to have greater influence over government and to win significant policy and legislative victories such as the Labour Relations Act (LRA) of 1995.

However, over the last few years there have been signs that, underneath the semblance of cohesion within the ranks of the alliance, serious tensions and strategic differences exist and continue to grow. These surfaced particularly around the government's announcement of its intention to privatise state assets

and the unveiling the government's macro-economic strategy, the growth, employment and redistribution (GEAR) plan in 1996. The shift in government policy towards free-market economic policies has been the subject of numerous debates. While the ANC continues to maintain that its policies represent a continuity with the principles of the social democratic Freedom Charter and the RDP, there is no doubt that these policies stand in stark contrast to these earlier policy documents. Like other governments across the world, the ANC finds itself constrained by a range of factors, particularly those related to the global economy. Thus, as some observers have noted, the ANC's shifts have to be understood in the context of these constraints.

New constraints on any government's freedom of action at the turn of the millennium are imposed by the incorporation of the South African economy into the global market. Globalisation has not only undermined the power of national governments in Western industrialised economies, but has particularly affected the autonomy of semi-developed states to shape their political economy in a protected domestic market towards a supply-side economy, stimulated by export-led growth. The need to be internationally competitive and to attract foreign investment forces a fundamental restructuring at home (Adam, Slabbert and Moodley, 1997: 140).

Since the 1994 elections, alliance activities have been less prominent while the ANC and its leaders have been concentrating on consolidating their power as the ruling party. The ruling party has found itself having to respond to a much broader range of constituencies and interests than those of the alliance. The fact that the ANC is now the ruling party has led one observer to question the viability of the notion of the tripartite alliance as "an equal partnership" (Suttner, 2001). The argument of this paper is that the post-1994 period has resulted in a marked decline in the role and influence of COSATU within the tripartite alliance.

A 1996 COSATU discussion document acknowledged that there were serious problems in the way the alliance was operating. It made a number of revealing observations which support the view that 1994 was the decisive moment which resulted in the marginalisation of the federation in the alliance. The document lamented the fact that:

In the pre-election period, the alliance partners consulted one another on major issues. Since 1994, there have been very few substantial meetings of the Alliance. Even those that have taken place have been ad hoc, sporadic or crisis meetings. Further, issues agreed at those meetings have largely not been followed through...The Alliance never sat down to systematically look at the challenges of the transition and formulate a strategy, and what role our various formations should play in that strategy (COSATU, 1996).

The document then noted other problems linked to the non-functioning of the alliance, including weak organisational structures, lack of a common vision on how the RDP should be implemented and the fact that COSATU has had to rely on individual views emanating from certain ministries in government. It also lamented the fact that policy making is becoming the domain of consultants, conservative economists, bureaucrats from the old order, international financial institutions like the World Bank and the International Monetary Fund (IMF) and very few progressive people who are now in government. It was noted that the RDP has been undermined by a range of forces. Finally, the document raised a concern about "the demobilisation of our people" and observed that "most activists are no more sure of what the strategic objectives are".

The changing balance of power in the alliance since 1994 represents a gradual but ongoing reconfiguration of power relations at formal organisational and strategic levels, where political alignments which existed before liberation are beginning to break down, making way for new ones. Although South Africa is unlikely to witness a dramatic break-up of the alliance, there is no doubt that the ANC has been using its hegemonic position within the alliance to re-configure the relationship in a way which allows it space to by-pass the alliance when it deems necessary. When the ANC was criticised for the manner in which it had introduced GEAR (by bypassing the alliance), the then State President, Nelson Mandela, responded by articulating what appeared to be the ANC's redefinition of the terms of the alliance. He identified three ways in which the alliance operates in relation to policy issues:

There are matters where we will agree. The second category is matters where we disagree among us, but compromise. The third category is where there is no agreement at all and the government will go on with its policy (The Sunday Times, 25 May 1997).

Thirdly, the debate on the alliance does not take into account rapid changes at the leadership levels of both the ANC and the alliance. In particular, processes of class formation which have accompanied democratisation and deracialisation are not examined. On the one hand, the ANC leadership has been shifting to the right, as evidenced by the organisation's adoption of the GEAR macro-economic strategy. The priorities of this leadership have changed significantly since 1994 and the project of radical transformation is being overtaken by a conservative one based on neo-classical economic policies. A growing number of these leaders, including many ex-unionists who went into politics on an ANC ticket, are using politics as a launching ground to get into the world of business. COSATU leadership has shown ambivalence towards these shifts. On the one hand, it has been highly critical of the ANC government's macro-economic strategy - the Growth, Employment and Redistribution (GEAR) - and its associated

programmes of privatisation and fiscal discipline. In recent years (May 2000 and August 2001) the federation embarked on massive general strikes to register its opposition to privatisation and GEAR.

On the other hand, COSATU leadership continue to pass resolutions pledging support to the alliance in general and the ANC in particular. This ambivalence was captured best by proceedings at the 6th National Congress of COSATU held in September 1997 which noted what it termed a "shift [to the right] on the part of the ANC in government", but it decided to dedicate more resources and leaders to ensure an electoral victory for the party in the 1999 national and provincial elections (COSATU, 1997). While this ambivalence arises out of a belief by some unionists that union alliance with political parties remain relevant, for others the alliance has become an avenue for upward mobility into politics. Indeed, there is ample evidence that in the context of democratisation and deracialisation, the alliance has come to serve another purpose, namely, as a breeding ground for the emerging middle class.

Meanwhile, South African unions are facing the toughest challenges since 1994, and only a few of these are highlighted here. The influence of COSATU has diminished significantly and it could be argued that the only reason why the ANC wants it in the alliance is because it brings votes and it is easy to contain the federation within the alliance. COSATU no longer commands the same respect that it used to in the past and, in certain quarters of the ANC, there is growing irritation with, or even hostility towards, the federation. The most strident expression of this came out in a recent ANC National Executive Committee (NEC) document on the alliance. This document argued that COSATU's opposition to GEAR and privatisation was being spearheaded by an ultra-left tendency within the federation which was intent on "transforming COSATU into a political formation, independent of the ANC". The document argued that this "left offensive" should be "defeated" and proposed that the ANC should help strengthen the unions through political education programmes and other initiatives (African National Congress (ANC) National Executive Committee, 2001). Although the document purported to speak of a small clique of "ultra-leftists" in COSATU, the real target of the tirade was the entire leadership of the federation, including its president, Willy Madisha and the general secretary, Zwelinzima Vavi.

On the other hand, the leadership drain which accelerated in 1994 continues and threatens to deprive the unions of an entire generation of leaders from the past three decades. The haemorrhage has hit unions at all levels, from the shopfloor right up to the national level of union structures. Many past shopfloor leaders are now managers in the private sector and local government councillors while scores of full-time officials and national leaders have moved on to become managers, consultants, civil servants, businessmen and women and politicians.

The impact of this on the union has been examined elsewhere. Suffice it to say here that an added dimension of this leadership exodus is the loss of organisational memory by the unions. Few unionists still remember the early history of the unions and fewer still understand how its organisational and political traditions were established.

This loss would not be so severe if most of these ex-unionists had remained sympathetic to the labour movement. Interviews with current and past unionists have revealed that the outlook of these leaders changes as soon as they leave the ranks of the union. They reinvent themselves so that they can project an image of themselves which is "appropriate" for their new positions. Indeed, it would appear that in their efforts to outgrow their union history, many ex-unionists try to present their union years as part of an adolescent stage and their lives since leaving the unions as part of an adult and responsible stage. As a result many ex-unionists no longer maintain links with their former unions and, from what some unionists say, there are many who have adopted an unashamedly anti-union stance since leaving the unions. They regard the current crop of union leaders as an immature and reckless lot who are desperate to gain a national profile for themselves. Whether this view is justified or not is difficult to ascertain. What is clear, though, is that very few ex-unionists continue to lend support to the union movement while the majority have become vocal anti-union market populists.

In addition, the failure of the union movement to position itself as the core of a broader civil society movement has diminished its clout considerably in society. Although the unions still retain some capability to pull off some relatively huge mass protests such as the anti-privatisation general strikes and protests in May 2000, August 2001 and October 2002, they are increasingly becoming isolated from the rest of other grassroots movements in the country. As they become more marginal within the tripartite alliance, it is becoming increasingly easy for their detractors (including some within the alliance itself) to dismiss them as representatives of the sectional interests of a small and privileged section of society. In the acrimony generated by the 2001 COSATU general strike, the government ran an extensive media campaign by placing advertisements in all the major newspapers in the country. The main thrust of this media campaign was to argue that the strike was not necessary and that the government was "restructuring", not "privatising" the parastatals. The advertisements sought to present "restructuring" as a "mandated policy arising from the RDP" and the government as a custodian of the workers' best interests. By contrast, COSATU was presented as a spoiler intent on "sacrificing" workers wages, "undermining the economy" and obstructing transformation (by striking a few days before the start of the World Conference Against Racism.) (South African Government (Government Communication and Information System), 2001).

Furthermore, the labour movement faces two phenomena which have the potential of reducing its power and drastically reducing its influence in society. On the one hand, the union movement remains highly fragmented and there is evidence that fragmentation is now taking on a new form as splinter groups take advantage of weaknesses within the larger unions of the different federations. The last couple of years have seen the emergence of these splinter groups from unions in the food, mining, metals and auto and the commercial and catering sectors, to mention just a few. On the other hand, unions are losing thousands of members through retrenchments in all sectors of the economy as the structure of the economy continues to change under the impact new trends in global capitalism. Meanwhile, unions have remained incapable of adapting their organising strategies and structures to confront these conditions. An example is the failure of unions to develop strategies and structures to organise informal sector and casual workers.

There has also been a qualitative change in the orientation of workers and leaders towards their unions. Since 1994 many workers have adopted a more instrumental orientation towards unions, which means that they see unions as agents which are supposed to deliver more immediate material benefits rather than as agents for the radical transformation of society. As a result, membership participation in union activities has diminished, except in those cases where workers' jobs and other bread and butter interests are concerned.

Many union leaders' orientation towards unions has also changed. Many shop stewards today see their positions as platforms from which to access better jobs and other benefits. The same applies to other positions of leadership within the unions. This has given rise to intense competition for jobs and debilitating infighting and factionalism among union leaders.

However, the above should not be construed to suggest that unions are collapsing. Indeed, unions will continue to exist as relatively strong organisations. But union organisation and struggles will take a different form to what they were in the past. In relation to the issues discussed in this article, this means that the ability of unions to influence socio-economic developments in society and inside the tripartite alliance has diminished considerably.

The Significance of the South African Case

Some observers have argued that although the COSATU/ANC alliance (or the entire tripartite alliance for that matter) is not unique, it was "a relationship without precedent on the African continent and with few parallels throughout the world" (Suttner, 2001: 28). In a similar vein, Sam Mbhazima Shilowa has argued that,

Ours was not only a liberation struggle; it also had a class content to it... Compared to other post-colonial societies, South Africa's industrial base its

level of trade union organisation provide progressive forces with considerable strategic leverage (Shilowa, 1997: 72).

On the surface, the South African case does appear rather unique or without precedent. But such an appearance of uniqueness only pertains to the details and the social context within which the alliance exists. Once we expand our analytical lens to examine socio-economic change at a paradigmatic level, the specific details of a single case cease to be the sole determinants of a cases' importance. Analysis at the level of paradigms means that we are able to discern general comparable patterns despite the specifics of each individual case. The main weakness of the debate on union-party alliances in South Africa is that it has remained at the level of detail and specificity and has thus failed to move to a comparative level of analysis.

Samuel Valenzuela, a scholar of comparative labour studies, has argued that debates on the relationship between labour movements and processes of "redemocratisation" should not simply concern themselves with the effects of union actions on the direction of political change. These debates, he argues, should also examine the reverse, namely, the effects of political change on the labour movement. According to Valenzuela, this is imperative because these processes are "intimately connected" such that it is not possible to understand one without the other. In a similar way, it can be argued that discussions on the relationship of the labour movement to a major shift from one political paradigm to another (eg. capitalism to socialism, socialism to capitalism, social democracy to free-market capitalism) should not confine themselves to the effects of labour action on such changes. They should also examine the effects of such political paradigmatic changes on the labour movement.

The shift from social to market regulation constitutes one such paradigmatic change and, while it does not close off the search for creative alternatives to free-market capitalism, it also diminishes the usefulness of certain political strategies by labour. One strategy whose viability is called into question by the shift to market regulation is that of alliances between union federations and ruling political parties. The significance of the COSATU-ANC alliance is that while it highlights the need to take account of the specificities of the South African case, it also shows that even a strong union-party alliance with "few parallels across the world" cannot escape what one author has termed the "political fall-out of globalisation" (Jose, 2002). Recent developments seem to indicate that the alliance, like other alliances in the developed as well as developing countries, will not survive this fall-out.

Recent comparative studies have suggested that market regulation necessitates some modification of labour's strategies, nationally and internationally. One of the

suggested approaches is "forging alliances with other actors in society who share the values and objectives of the labour movement". (Jose, 2002: 15)

Conclusion

The political fall-out for unions and political parties implied by the shift to market regulation has left COSATU with a "paradox of victory". While the federation was a central actor in the struggle for political democracy, it is now finding itself increasingly relegated to the role of a marginal player. Meanwhile, the ANC as a ruling party has learnt the game of political horse-trading and has been broadening its coalition of political and class forces beyond the traditional struggle groups. Thus, today the ANC has informal pacts with the Inkatha Freedom Party, the New National Party (the party which introduced apartheid) and the Minority Front. In addition, it enjoys significant support from a wide range of other social groups including sections of big business, emerging black business, black professionals, women and youth groups. Such has been the reconfiguration of forces that organised labour is only one of the social forces backing the ANC, albeit a large one.

On both sides, the reasons for maintaining the alliance are many and varied. However, in each case, these reasons can be consolidated into one or two general propositions. Within the tripartite alliance, the ANC refers to itself and is variously referred to by others as the "leader of the alliance" or the "leader of the forces of change". The continuation of the alliance enables the ANC to maintain a big brother relationship towards COSATU and the SACP and to appropriate the legitimacy associated with the history and political symbolism of the liberation struggle. All of this makes it possible for the party to contain the union federation and avoid the potential disruption that would accompany a split. The party dreads the prospect of a COSATU that transforms itself into "a political formation, independent of the ANC" (ANC-NEC, 2001) because it threatens another MMD-type or MDC-type scenario in Zambia and Zimbabwe respectively. Webster, E. 2001. "The Alliance Under Stress: Governing in a globalising world", *Democratisation*, 8, 1.

On the union side, there are perhaps two overriding motivations for maintaining the alliance with the ANC. Firstly, there are those unionists who are genuinely uncomfortable with the ANC's shift to the right, but they are equally scared of leaving the alliance for what many believe would be a political wilderness. At present, the ANC appears to command overwhelming support even within the union movement and some believe that breaking the alliance at present would be suicidal. Secondly, there are those unionists whose support for the alliance is influenced by personal considerations and ambitions. Indeed, many of these unionists have been rewarded handsomely with well-paid positions in politics and in the civil service. At the moment both positions seem to enjoy support within COSATU and, for the moment, appear ready to accommodate each other's

concerns, hence the ongoing ambivalence towards the alliance and the ANC.

However, none of the above motivations for maintaining the alliance (from both sides) is sufficient for averting the political fall-out associated with the shift to market regulation. The impact of this fall-out (some of it delayed because of the historical and political symbolism associated with the alliance) is likely to result in the "withering away" of existing union-party alliances. Where they continue to exist, these alliances will be mere shadows of those which existed in the Golden Age of social democracy. Under free-market capitalism, the only alliances which have a reasonable chance of success are social alliances between labour and other interest groups and social forces which face similar pressures and share similar interests with organised labour.

HUMAN AND PEOPLES RIGHTS AND AFRICA'S ADVANCEMENT

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"Human Rights, Democratic Governance and The African Union"
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ABSTRACT: The successful political transition from apartheid to democracy in South Africa demonstrates the importance of the clear articulation of human and peoples' rights as the foundation for transition. However the establishment of civil and political rights is not enough as this leads to illusions about the exercise of power. In reality, social change requires a holistic understanding of all the levers of power, including the juridical, economic and social, for change to be realised. Furthermore, fundamental transformation requires a developmental approach.

Throughout Africa, the struggle for independence was focused on gaining political power. Though this was necessary, it was not sufficient for the achievement of human and peoples' rights in the full sense of those terms. This experience should alert us to the limitations of a narrow civil and political human rights approach to Africa's advancement.

A narrow approach to human rights which focuses only on civil and political rights is also inadequate for the advancement of dialogue between Europe and Africa, as the asymmetrical economic relations undermine equality between them. Furthermore, a broad approach provides grounds for a convergence of interests.

The United Nations Tradition on Human Rights

The source of any consideration of human rights is the UN UNIVERSAL DECLARATION OF HUMAN RIGHTS OF 1948. This document stated that: "The inherent dignity and the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world." It also noted that: "All human beings are born free and equal in dignity and rights." And: "Everyone is entitled to a social and international order in which the rights and freedoms set forth in this declaration can be fully realised."

That is our benchmark for this conference, and it poses serious challenges for our discussions. We have to take into account that every assessment of the world order today would have to state that for the bulk of humanity, those principles have yet to be realised. Indeed, in a polarising world, conditions are deteriorating

in many areas rather than meeting the principles above.

The Declaration was enriched in 1966 by the International Covenant on Economic, Social and Cultural Rights, adopted by the UN General Assembly, which, however, has not won universal acceptance. The Covenant states that: "The ideal of free human beings enjoying freedom from fear and want can only be achieved if conditions are created whereby everyone may enjoy his economic, social and cultural rights, as well as his civil and political rights."

The caveat about non-realisation of the declaration apply even more to the covenant, especially in Africa where socio-economic rights are barely recognised, even where political rights are actually observed.

In 1986, the UN General Assembly adopted the Declaration on the Right to Development and this was followed by a Global Consultation in 1990, which deepened the debate considerably.

Among the issues raised was the acceptance of the Right to Development as an inalienable human right which aimed at the constant improvement of the well-being of the entire population and of all individuals, which goes beyond continuous increases in the leading economic indicators, and requires access to the necessary resources. It also asserts that all the aspects of the right to development are indivisible and interdependent and include civil, political, economic, social and cultural rights. The resulting document stated that the criteria for the right to development are: "Conditions of life, conditions of work, equality of access to resources, and participation."

These problems were examined carefully in the drafting of the Bill of Rights in the SA Constitution, said to be the most advanced in the world. In accord with the UN declaration it "affirms the democratic values of human dignity, equality and freedom". But it also links up with the covenant with respect to various socio-economic rights, such as housing, health care and education, though these are subject to limitation clauses "within available resources" and achieving the progressive realisation, which follow the wording in Article 2 in the UN covenant. Very important are the basic values and principles governing public administration which must be "development-oriented", "participatory", "accountable" and "transparent". (Chapter 10)

It has to be acknowledged that the implementation of the socio-economic clauses have placed a burden on government, which was anticipated, but which is nevertheless difficult to resolve, especially as the Constitutional Court has now ruled in support of the clauses.

To its credit, the Council of Europe produced the European Convention of Human Rights in 1953, which guarantees basic civil and political rights, and the European Social Charter (1961) and subsequent protocols, which sets out in great detail a large range of socio-economic rights, such as the right to employment, freedom of association at work, protection of children, welfare and so on. In addition, the European Committee for Social Cohesion adopted a report in 2002 on the problem of access to social rights in order to strengthen social cohesion as "an essential complement to the promotion of human rights and dignity".

There remains considerable resistance to many of these objectives, as governments grapple with their fiscal constraints, and perhaps even more, the socio-political consequences of implementing some of these far-reaching changes. Yet, there is clearly a growing recognition of the legitimacy of political and socio-economic rights throughout the world.

Human Rights in the African Union

The Constitutive Act of the African Union includes in its principles and objectives the necessity for political and socio-economic integration across the continent as well as the promotion of sustainable development at the economic, social and cultural levels. These principles are further developed in the New Partnership for Africa's Development (NEPAD) which sets out the broad terrain for the socio-economic development of the continent and in particular to bring to an end "the scourge of underdevelopment".

Mention should also be made of an important conference convened by Prof Adebayo Adedeji, UN Undersecretary General and Executive Secretary of the Economic Commission for Africa, and attended by African peoples' organisations, African governments, non-governmental organisations and UN Agencies, in Arusha in 1990 which adopted the African Charter for Popular Participation In Development and Transformation. The conference noted that the crisis in Africa "is not only economic, but also a human, legal, political and social crisis." This view therefore endorsed the policy positions taken by the UN system that political rights and socio-economic and cultural rights are indivisible and interdependent.

The tradition that human rights are not only political has been well established by the UNDP. It said: "Human rights and human development share a common vision and a common purpose - to secure the freedom, well-being and dignity of all people everywhere." (UNDP Human Development Report, 2000) The document goes on to list the advances internationally in overcoming colonial rule, in overcoming many diseases, in the enhancement of human capabilities, and importantly, in gaining international recognition of the importance of legislating in these matters.

Indeed, there is now a universal acceptance that poverty is the result of economic, political and social processes that interact with each other and frequently reinforce each other

These considerations are important in order to grasp the nature of the challenges facing Africa. The establishment of the African Union is in the first place a political act. It is a union of states, represented by governments. It is not necessarily a union of the peoples of Africa, since many of our governments are not representative or democratic, and their policies are not necessarily derived from a popular will, nor always directed to the development of their peoples. Nevertheless, the founding principles are in line with the best international conceptions.

The Europe-Africa Dialogue - Universal Values but Diverging Interests

In her celebrated but long forgotten book, "The Barrel of a Gun", Ruth First argued that independence was handed to "selected heirs" to ensure the continuation of colonial power relations. Others wrote of neo-colonialism as the expression of economic exploitation of Africa's economic resources while ceding political power. Indeed, there are many jokes about the job of president being relegated to an African while the economy continued to benefit people of other racial origins who held real power.

But even if this view of independence is one sided, the reality is that Africa is in the grip of asymmetrical economic relations based on unequal exchange, subsidies and protectionism, and a lack of voice in the global institutions which determine how the global economy works.

Yet, the dialogue between Africa and Europe is often carried out by people who espouse the culture and values of human rights as set out in the opening section of this paper. No-one would dare to say openly that Europe has a right to extract primary resources from Africa at low prices, or that Europe has a right to increase the prices of its own exports such as cars and machinery at inflated prices. Nor would anyone overtly defend the higher standards of living in Europe compared to Africa as a matter of principle. Yet, the real relations between Europe and Africa are based precisely on this inequality. As a very simple illustration, we have only to compare the monetary return to a Kenyan peasant for his coffee beans with the price of a cup of coffee in Europe to realise the scale of inequity in the system. Often, the inequity comes not only in the profit-seeking of commercial interests, but in the inflated duties imposed by governments which cream off the bulk of the cost of a consumption good in Europe.

In the new conditions of trade in the period of globalisation, why is it that the South is pressured to reduce tariffs, our only weapon against unfair competition,

while the North reserves for itself a variety of powers such as tariffs, subsidies, technical requirements etc. Even in the so-called friendly economic relations between the US and Mexico, technical conditionalities imposed by the US are a major obstacle to Mexican imports.

Is it surprising therefore that the average income in the richest 20 countries is 37 times the average in the poorest 20 - a gap that has doubled in the past 40 years. Also, that of the world is 6 billion people almost half live on less than \$2 a day, while Sub-Saharan infant mortality rates are 15 times higher than that of high-income countries. (Overview of World Development Report 2000/1 World Bank, p 3.)

So, on what basis can we establish fair and sound Europe-Africa relations? Clearly the conditions and terms of trade are fundamental. Many papers have shown that relations based on aid flows may be seriously flawed. There is no need to go into the allegations that aid sometimes serves to create commercial benefits and job opportunities in the donor country as much as in the beneficiary country. Or, that aid distorts the development process in the beneficiary country, or that aid gives undue influence in the political system. In the end, Africa continues to seek aid and to deplore the falling levels of aid.

Perhaps the World Bank got it right when it said: "Aid should be delivered in ways that ensure greater ownership by recipient countries, and it should go increasingly to country-driven, results-oriented poverty reduction programmes, developed with the effective engagement of civil society and private sector agents." It added: "Poor people and poor countries should have greater voice in international forums, to ensure that international priorities, agreements, and standards - such as in trade and intellectual property rights - reflect their needs and interests." (WDR 2000/1 p 12)

The report also states that "poverty is more than inadequate income or human development - it is also vulnerability and lack of voice, power, and representation." However, given the global power relations in the real world, these sentiments are far from realisation.

More realistic is the view of aid by Joseph Stiglitz that foreign assistance requires a three-way partnership among recipient countries, aid agencies and donor countries. He argues that citizens of donor countries must continue to support aid, which is however, at its lowest level ever. (Assessing Aid, World Bank, 1998)

The OAU noted in 1994 that there has been a dramatic collapse of Africa's exports in both volume and prices in the 1980's. Export earnings plummeted and recurrent balance of payments crises have accompanied the external debt which reached \$ 282 billion and a debt service burden of \$26 billion in 1992. Open unemployment

rose from 7.7 percent in 1978 to 22.8 percent in 1990.(African Common Position on Human and Social Development in Africa, OAU, 20 January 1994)

UNCTAD tells us that "efforts to integrate SSA into the global financial system and to attract private flows through a rapid liberalisation of the capital account have resulted not in increased inflows of such capital, but in greater volatility." (Capital Flows and Growth in Africa, UNCTAD , 2000 p 2) Elsewhere UNCTAD states that: "The levels of terms of trade at the end of the 1990's for SSA were 21 percent below those attained in the early 1970's. And: "In the past two decades SSA has not received any net transfer of real resources from the rest of the world." (Economic Development in Africa, UNCTAD 2001.p 36)

The adverse asymmetrical terms of trade are worsened by the protectionism in the OECD countries, where" total transfers by consumers and budgets to agriculture and highly protected industries were estimated at \$470 billion in 1997.... Total subsidies amount to more than half of developed country imports from developing countries and 10 times their concessional ODA." (p43)

Important as these economic considerations are, there is nevertheless a strong case for dialogue to continue at the political level, especially among parliamentarians. This dialogue is necessary for the constant reiteration of the fundamental principles set out in the UN documents. It is also necessary to alert our peoples to the ongoing drain of resources from South to North. For instance, there is a persisting hemorrhage of doctors and nurses from South Africa to the UK which damages our health services. Lawyers are also attracted overseas and the corporate lawyers who come in are busy assisting business to take money out rather than building our own capacities. Also various fly-by-night educational institutions, and even some respectable universities, are setting up campuses here which provide inferior education for profit.

These matters lie within the powers of politicians and require the attention of parliamentarians since they affect the relations between our countries.

We also need joint Europe-Africa working groups to examine the current roles of the Bretton Woods institutions and the WTO. Our material short-term interests will often diverge here, but there are more fundamental and long-term issues where the convergence of views as well as of interests are certainly possible.

For instance, we badly need frank debate on the question of immigration policy.

We need joint work to democratise the UN system and make it more representative of the will of the people of the world the need for which, has been sharply demonstrated by the behaviour of the US in the Iraq crisis .

We need opportunities for civil society formations in Africa to dialogue with partners in Europe on an equal basis and with mutual accountability and transparency, especially between donors and recipients.

Above all, we need to ensure that the agreements we reach in these dialogues at the political level are not undermined thereafter by officials who use technical arguments to write in detail provisions which run totally counter to the spirit of the principles agreed to at the political level. Our experience of negotiations with the EU and in the Doha Round is precisely of that nature.

How Can a Rights Culture be Realised in Africa?

President Nyerere once complained that governments in Africa could stop things happening but could not start things. This was because they had no control over their economies which were still in the grip of the former colonial powers. To overcome this difficulty, governments nationalised the commanding heights of their economies, including the banks, mines and large industries. Yet, in most cases, this did not lead to sustained development, and, often, to deterioration. Clearly there are major structural reasons for Africa's continuing economic decline. If an Africa-Europe dialogue will examine these issues, then it is certainly worthwhile.

But equally important is the notion of Africa looking within for its own salvation. The Lagos Plan of Action of 1980 advocated "collective self-reliance" as the main principle to be followed. Adedeji continues to pursue this approach. In a recent paper, he argued that "democracy is more fundamental than political pluralism, the ballot and the competitive struggle for the peoples' vote...and must encompass the democratisation of the development process...and economically empowers the people. The democratic culture cannot even begin to take root in a Pharisee society of self-interest where the rich and the powerful are getting richer and more powerful and the poor and the powerless are becoming poorer and marginalised." (Keynote Address, Experts meeting, African Peer Review Mechanism, Cape Town 2002)

Confronting the conduct of the elite is not only a matter of good governance, it is also a matter of the realisation of the whole spectrum of rights identified in the UN system. Even the World Bank has acknowledged that there is little evidence that the middle classes in Africa are supporting anti-poverty measures, and notes instead the tendency of "elite capture of benefits." (African Poverty, World Bank 2001 p xix). It is now well documented that the general decline in average income per capita for SSA is exacerbated by greater inequality between rich and poor, so that the poor suffer even more.

It is here that the Pan African Parliament and Africa's proposed ECOSOC can play a vital role. There is a caveat, however, that both these institutions should avoid a purely

legalistic or constitutional approach to rights if they are to play a meaningful role.

If the peoples of Africa are to take these bodies seriously, their work must be seen to be relevant to the daily concerns of the person in the street and in the villages. Else, given the high degree of alienation from government across the continent, coupled with the massive illiteracy and ignorance about government, the PAP and ECOSOC will be seen as yet another manifestation of "bread and circuses".

Appendix

The Harsh Face of Poverty in Sub-Saharan Africa.

Total population in 1995 - 580 million:

- ▼ 291 m average income below \$1 a day
- ▼ 124 m of those aged below 39 could die before 40.
- ▼ 43 m children stunted by malnutrition
- ▼ 205 without access to health services
- ▼ 249 without safe drinking water
- ▼ 2 m children die in first year
- ▼ 139 m illiterate

(World Bank, Human Development Report 1998)

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POST-COLONIAL "REBEL MOVEMENTS" IN AFRICA: VIOLENCE AGAINST THE PEASANTRY

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Introduction

A disturbing feature of some of the post-independence armed rebel movements in Africa has been the extremely brutal and spiteful forms of violence that they have unleashed and inflicted on fellow citizens. One of the lessons that Mao bequeathed to those who must, together with the peasantry, take up arms against authority was that they must enjoy the explicit support, or at least the tacit complicity, of the population among whom they live, if they are to swim among the masses like fish in the water. The work of one of Africa's most successful guerrilla leaders, Amílcar Cabral, is replete with injunctions on the transformation that the "petite bourgeoisie" would have to undergo in order to be one with the peasantry. They were called upon to commit "class suicide" by immersing themselves in the lives of the peasantry and seeing the world from the peasantry's perspective. The PAIGC (African Party for the Independence of Guinea-Bissau and Cape Verde) was legendary for its meticulous political work among the peasantry before embarking on military actions (Chaliand 1969; Davidson 1969). However, in the case of post-colonial Africa, over and over again, armed movements have appeared as anything but fish, violating Mao's basic injunction by murderously wading into still waters to wreak havoc and cause enormous suffering. The human emergencies caused by these conflicts have generated a slew of studies on the "root causes" of these wars. Although this paper critically looks at some of these studies, it not so much about such "root causes" as about the wanton violence associated with many of the conflicts.

The main argument of this paper is that to understand the actions of the rebel movements and their violence, we must understand not only the elites and the intra-elite conflicts that produce their leaders, but also the actions and responses of the wider population. More specifically, we need to know, on the one hand, the nature of the rebel movements - the thinking, composition, actions and capacities of the leaders of the insurgent movements - and, on the other hand, the social structures of the African countryside in which they often operate. I argue that the

social terrain of rural Africa is highly unsuitable for classical guerrilla warfare and that, combined with the urban origins of rebel movements, this generates self-defeating behaviour on the part of armed groups, and terrible suffering for rural populations.

I also argue that fatally flawed and morally reprehensible though these movements may be, one needs to take their political roots and ideological cognitive components seriously, even as their banditry confounds their political agenda. The failure and even degeneration of these movements should not lead us to deny or downplay the objective conditions that create the discontent, which is the fuel of conflict. This should be obvious enough, and most students of rebel movements in Africa would share Christopher Clapham's suggestion that "insurgencies derive basically from blocked political aspirations, and in some cases also from reactive desperation". Regrettably, the recent focus on the means of financing rebel movements and the failure of most movements to coherently articulate, let alone achieve, their proclaimed objectives have encouraged an easy dismissal of the politics of such movements and an inclination towards economic, cultural and militarist interpretations of the conflicts.

The urban roots of rebellion

Three types of post-colonial rebel movements have dominated the armed conflict scene in post-colonial Africa. The first are the secessionist/regionalist movements, or those seeking greater autonomy for a particular (often ethnically specific) area. The second are those which have become rural based following defeat in urban confrontations. The third are externally supported movements returning from exile, and passing through the countryside on their way to the urban areas.

Except perhaps for the secessionists, a common feature of all these movements is that they are driven by essentially urban issues, few of which have much resonance in the countryside. As a general proposition, one can state that "urban crisis" (rather than agrarian crisis) is the source of rebel movements in Africa. It is the urban origins of these struggles that accounts for their "national" character, since the ultimate purpose of the belligerents is not merely to liberate one area, but to assume political power in the national capital. Such urban origin of rebels is, of course, not peculiarly African, nor is the retreat to the countryside. And of course not all urban "disturbances" spill over to the rural areas. What may be specific to individual countries are the social character of the urban movements, the rural terrain to which they withdraw and within which they must perform, and the responses of the denizens of the countryside.

Two major sources of conflict in the urban areas often feed into each other, producing a downward spiral of dislocation. Ethnic conflicts are the first of these, often as a consequence of intra-elite conflicts. The literature on ethnic conflict is

replete with accounts of elite mobilisation of ethnic identities in the urban areas, which then spill over into rural areas. These types of conflict are usually the result of the failure by the political system to manage the social pluralism of their respective countries and the erosion of the "political pacts" that nationalists had carved to achieve much-vaunted "national unity". The struggle has been for power or the resolution of some conflict in the capital city. The conflict may be over failed decolonisation processes in which a disunited nationalist movement is unable to share political power, or over post-colonial social discontents. In both cases, the locus of discontent is urban. The struggle for spoils often leads to what Nnoli calls "ruling class fractionalism".

The second source of conflicts stems from the two-decade long economic crisis, and the structural adjustment measures adopted to address it, which together have put enormous pressure on the African body politic. They have, as elsewhere, increased income inequality and favoured dramatic increases in luxury consumption among the *nouveaux riches*, the international businessmen and employees of international organisations and NGOs that have multiplied in numbers. This has intensified the sense of "relative deprivation". The dramatic increase in conspicuous consumption in the cities juxtaposed against deepening squalor has led to unraveling of the "social pacts" - be they populist, corporatist or patron-clientelist - that until then provided a modicum of peace in the post-colonial era.

Much of this increased social differentiation in the urban areas has been policy induced, although it is often presented as the result of the ineluctable forces of globalisation. Already in the 1970s, international organisations such as the International Labour Organisation pointed to growing urban poverty and the informalisation of the economy, and to the fact that patterns of development were generating social structures that were politically dangerous. These concerns disappeared in the early 1980s, however, and since then the standard argument has been that the African crisis, and more specifically the agrarian manifestations of that crisis, has been caused by "urban biases" in policies. It has thus been argued that the removal of such a bias would benefit rural areas. One consequence of this focus on the urban-rural divide has been to underestimate or overlook intrasectoral differentiation, especially in urban areas, thus blinding policy-makers to the deleterious effects of new policies on the social coherence and political stability of the urban areas themselves. Adjustment policies have been totally oblivious to urban ferment. The crisis is also producing a marginalised youth likely to engage in criminal activities or join rebel movements. Their discontent has often expressed itself in various forms, such as participation in democratic movements, looting and riots. African scholars, especially those writing on Sierra Leone, have tended to advance a sociologically anchored explication of the composition and behaviour of these youths, stressing their "lumpen" character and paying attention

to their ideological discourses. At the ideological level, the "organic intellectuals" of such movements espouse versions of radicalism. In most cases, the urban poor and "lumpens" are mobilised by political elites for conflicts that at times turn violent. In a number of cases, armed conflicts can emerge in which groups fight one another *within* the urban environments themselves, as was the case in Brazzaville. And in other cases, the losers may be forced to retreat to the countryside or go into exile.

Significantly, despite their urban origins, there are no urban guerrilla movements in Africa in the sense of movements whose fighting terrain is urban (as were the Tupamaros in Uruguay, for example). Urban violence has often occurred between communal or ethnic groups, in which, in the worst case as in Congo Brazzaville, highly politicised militias have confronted each other. Generally, however, the fighting takes place in the countryside until such a time as it is deemed appropriate to make the final assault on the urban areas. It is therefore necessary to consider the social structure of rural Africa and the propensity of African peasants *not* to adhere to rebellions.

The hostile rural terrain

There are two striking features of the African countryside that have shaped the prospects and conditions for rebellion. The first is that peasants still have direct access to the main means of production - labour and land. The second relates to the links between the state and the countryside. With the exception of countries of settler agriculture and concessions, production of export crops in much of colonial Africa has remained in the hands of peasants. Capitalist relations of production entailing mass land alienation are thus rare.

Although the post-independence era saw many attempts to expand capitalist agriculture, posing a real threat to peasant access to land for the first time, many such schemes depended heavily on state subsidies and could not survive their removal of structural adjustment programmes. It is on the basis of this peculiar position of the African peasantry that Goran Hyden could talk of an "uncaptured peasantry". The exploitation of peasants does not generally involve the direct extraction of surplus by a landlord or feudal class. It is almost invariably mediated by "markets" and by other extra-economic exaction encapsulated in what Mamdani refers to as "decentralised despotism". However, such local "decentralised despotism", whether invented by colonial masters, as suggested by Mamdani, or resting on tradition, is usually not made of the nasty stuff that has provoked peasant revolt elsewhere in the world. Indeed, we have many cases where "traditional" authorities have been able to rally the local population against marauding rebel movements. Sweeping measures such as declarations by governments claiming to be the sole owners of all national land have had little effect on the usufructuary rights of African peasants. In any case insecurity over land is not a major preoccupation of African peasants.

Peasants' access to land has had enormous implications for the fate of rebel movements in Africa. It has denied them that most potent of revolutionary slogans - "land to the tiller" - that was so vital to the classical peasant-based guerrilla movements of Latin America or Asia, and to national liberation movements, even when movement leaderships were urban. Interestingly, none other than Che Guevara drew the lessons for African rebels. His diary entry on his Congo adventure captures the essence of the problem:

"The peasants pose for us the most difficult and absorbing problems of a people's war. In all wars of liberation of this type, a basic element is the hunger for land, involving the great poverty exploited by latifundistas, feudal lords and, in some cases, capitalist-type companies. In the Congo, however, this was not the case, at least not in our region, and probably not in most of the country."

After noting that feudalism may have been more developed in Bukova, he remarks: "In the mountainous region where we live the peasants are completely independent". Capitalism, he notes, "operates only in superficial forms, trades and the demonstration effect of certain items used by the peasantry", and "imperialism gives only sporadic signs of life in the region". He then asks a central question:

"What could the Liberation Army offer these peasants? That is the question, which always bothered us. We could not speak here of dividing up the land in an agrarian reform, because everyone could see that it was already divided; nor could we speak of credits for the purchase of farm tools, because peasants ate what they tilled with their primitive instruments and the physical characteristics of the region did not lend themselves to credit-fuelled expansion."

Noting that they had little to offer the peasantry, he concludes (*ibid.*):

"I think that some deep thought and research needs to be devoted to the problem of revolutionary tactics where the relations of production do not give rise to land hunger among the peasantry. For the peasantry is the main social layer in this region; there is no industrial proletariat and the petty bourgeoisie of middlemen is not very developed."

The second feature is the linkage between the state and the countryside, which is shaped by variations in the fiscal exigencies of the state that determine whether to tax or subsidise the rural sector. The state's usual method of capture has been through marketing boards and other mechanisms for manipulating the terms of trade against agriculture. Much has been made of this source of extraction as a form of exploitation that has stifled agricultural production. Exploitative though this has been, there are two features that have prevented it becoming a source of peasant revolt, or encouraging peasants to embrace armed groups aimed at toppling the exploitative state. First, contrary to the urban bias thesis, African governments' attitudes towards the extraction of surplus from the peasant are characterised by

ambiguity, as evidenced by the taxation of peasants, on the one hand, and provision of subsidised inputs and welfare services, on the other. There is a widespread view that African states have extracted inordinately high levels of surplus from the peasantry through unfavourable terms of trade induced by price controls and overvalued foreign exchange. This assertion is widely accepted "even though no study ever succeeded in bringing fully convincing evidence allowing not only for direct and indirect taxation but also for direct and indirect subsidies to farmers, as well for funds channeled through international aid projects and programmes". The World Bank's own MADIA (Management of Agricultural Development in Africa) studies have questioned the validity of the "agricultural squeeze" thesis both in terms of actual levels of taxation and the impact of such taxation on variations in performance of crops. In any case, by the mid-1980s and 1990s, state capacity to extract surplus from the peasantry had been severely eroded both by structural adjustment programmes and by the general curtailing of the state's reach in most African countries. Peasants had also contributed to the erosion of state capacity by simply withdrawing from state controlled markets, a point captured by the "lame Leviathan" thesis. Therefore, even if in the past African states could be seen as exploitative Leviathans weighing heavily on the peasantry, the shredding of the state apparatus by both the economic and political crisis, and the liberalisation policies pursued to address the crisis, have "de-captured" the peasantry.

There were a number of factors determining this vacillation in state policies towards the rural sector. The first was the social base of the nationalist movement and the "nation-building" project through which the new states sought to extend their reach.

The second is that not all African states need agricultural surpluses for their survival or their projects of industrialisation. In the mineral rich countries, while "Dutch disease" effects may have imposed indirect taxes on agriculture, the imperative guiding state policies towards the sector was not surplus extraction. In two earlier papers on the state and agriculture and on the fiscal capacity of the African states, I have used the distinction between "rentier" and "merchant" states to underscore the importance of the revenue base of policies and responses to crises. The rentier state relies on revenue from rents from the mining sector, while the merchant state relies on a broad range of taxes, especially on peasant farmers taxed through marketing boards (as in Angola, Botswana, Gabon, Congo, Nigeria, Sierra Leone and Liberia).

One interesting phenomenon is that rentier states have been much more prone to rebellion than merchant states. While this may seem to support the looting model of rebellion, the explanation actually lies elsewhere - namely in the enclave and exclusive nature of the social structure of accumulation in such economies,

which leads to virulent urban discontent among youth, and in the politically salient economic neglect of the countryside. Because of the external nature of "rents", it is much easier to concentrate wealth in a few hands, partly because the production of such rents does not require much labour. Usually wealth is highly concentrated, economic enclaves and the urban centres of rentier states tend to have a much more skewed income distribution.

The mineral-rich countries exhibited relatively high levels of income inequality, as well as significantly lower levels of social development. Several studies show that mineral dependency leads to low human development indicators. It is this pronounced relative deprivation in the urban areas of rentier states that partly explains their proneness to rebel movements.

To compound matters, although mineral-rich countries have a readily taxable asset, they do not necessarily collect a larger share of GDP in taxation - precisely because easy access to this one source of revenue reduces the fiscal imperative to broaden the tax base by developing the necessary apparatus for effective collection of taxes beyond the mineral enclave. It is because governments derive income from large mineral sectors that they may be in a position to avoid the politically sensitive task of taxing their population.

The neglect of the countryside may not only *not* lead to peasant rebellion in the countryside (in fact, it rarely does in Africa), but it may leave the countryside wide open for urban-based rebellions. There are, however, two contradictory processes in such economies that impinge on rebellion : while the greater level of inequality within the urban areas is likely to generate urban conflicts that may spill over to the countryside, the wide urban-rural divide is likely to make such urban conflicts irrelevant to rural communities.

Where the state has to raise revenue over vast areas, over which its control is usually tenuous anyway, some form of "quasi-voluntary" compliance, is necessary. The merchant state has to negotiate with a much larger number of producers than does the rentier state. In such cases, there is always a need for some political presence. A kind of bargain often develops, in which governments promise to provide public goods that are positively valued, in exchange for tax payments. The state has to maintain marketing board depots, post offices, police stations and so forth. These bureaucratic structures, tattered though they may seem, constitute the political infrastructure that suggests the presence of the state. The much deplored and vilified patron-client relationships extend their reach and presence to the rural areas, and provide some antennae for listening in on the rumblings in the countryside and for pre-empting some of the more violent manifestations of protest. It is also in such merchant states that a rapacious state

or misguided policies are most likely to cause harm to and alienate the peasantry.

The point is not to suggest that African peasants have no grievances (God knows they do!), still less that they are passive and never resort to violence.

In general, however, neither the intensity of these grievances nor the political consciousness or judgment of the peasants have predisposed them to protracted rebellions against the state or ruling classes. African peasants, with all their grievances, are not dry grass that can be set afire by simple revolutionary sparks. Much of the violent response of African peasants has tended to be sporadic, highly localised and rather distant from classic "peasant revolts". One reason is that it is difficult to mobilise against the particular forms of oppression and exploitation to which they are subjected. This is definitely the case with exploitation through the "market", partly because of the illusion of voluntary involvement in it, partly because of the diffusiveness of its exploitative processes, and partly because of the "free rider" problems that organisers against it have to face. Instead, peasants have generally resorted to a whole range of "everyday forms of resistance", to borrow James C. Scott's felicitous expression. Such forms of resistance are well known: tax evasion, withdrawal from official markets, deception, pilfering, dissimulation, feigning loyalty, theft, and exit from the national territorial or officially assigned spaces. These forms of resistance may once in a while erupt into acts of violence, but rarely lead to armed rebel movements, although many writers have been tempted to wring from these actions a few precious drops of revolutionary action.

To conclude, the grievances that rebel movements claim to seek to address are often not salient in local political situations. There is no landlord from whom to free the masses or upon whose surpluses guerrillas can survive. Guerrillas cannot offer an immediate end to predation by local potentates, since such predation hardly exists; nor can they liberate peasants from the heavy exaction of national governments, since African governments have only extracted surplus through the market and not by direct taxation at the level of production. If anything, "revolutionary movements" in the postcolonial countryside are solutions in search of a problem - and in the process they become the first external agent to "capture" the peasantry. In many cases, they have constituted the first post-colonial imposition of forced labour through the requisition of surplus. Rebel movements stepping into a rural environment such as that described above find no obvious targets other than some state functionaries and other (often dilapidated) physical signs of state presence, which they tend to burn down rather than occupy.

Stationary and roving rebels

Before discussing the implications of the urban origins of rebel movements in a hostile rural environment, let me outline the two major forms that rebellion takes

in the African countryside. To explain the different behaviour of rebel movements, I will borrow Mancur Olson's useful distinction between "stationary" and "roving" bandits, which he used to explain the popularity and unpopularity of different warlords in Chinese history. Stationary bandits are dependent on the prosperity of the communities that they inhabit, and will therefore adopt measures that facilitate such prosperity, such as ensuring that law and order and productive activities are maintained and expanded. Setting up rudimentary structures of governance becomes an important task of the political arm of such movements. The ideal is to extend the area over which one is stationary until the whole country is "liberated". Roving bandits, in contrast, are constantly on the move, extracting resources through robbery, taxation and pillaging as they move to the scene of the next confrontation. They thus tend to be extremely predatory and destructive.

Of course, no movement completely fits into either category. Every rebel movement aspires to some form of sedentary existence or respite in "liberated zones". Thus the RUF in Sierra Leone has had, from time to time and in some areas, zones in which it assumed the role of stationary rebel. In practice, many movements are partly roving and partly stationary. And most change from one form into another, depending on a whole range of factors - the geographical origins of the movement, the resource base, the response and support from local population, and the counter-insurgency strategies and strength of government forces. However, one can distinguish movements according to their most pronounced characteristics with regard to activities and organisation.

With all these caveats, I will use these spatial characteristics to classify African rebel movements into stationary and roving rebels. My main argument is that in Africa, post-colonial rebel movements have drifted towards the "roving" type. This is largely explained by the following factors: (a) the urban origins and agendas of African rebel movements; (b) their ideological fuzziness and leadership problems; (c) the non-correspondence of the questions addressed by the movements, and the projects or agendas of rural societies; and (d) the extreme ethnic fragmentation of the African countryside. The social composition of the "vanguard" of these movements and the social structure of the African countryside mean that most movements are condemned to the status of roving rebels. African rebels are anything but Eric Hobsbawm's "social rebels", who are often peasants on the run from local landowners and the government, who regard them as criminals.

The quintessential "stationary rebels" are secessionist/regionalist movements. Such movements have often emerged in extreme situations where historical grievances against central authority are serious. Contrary to widespread perceptions, "secessionist" peasant revolts have rarely driven rebel movements in Africa. Such movements often establish themselves in a specific area where

they enjoy support, and where - as in Eritrea or Biafra - they may appeal to ethnic sentiments to strengthen that support. This also applies to irredentist movements - a rare species in Africa. It also applies to situations where, often as the result of colonial policy, a large part of a country feels itself to be under what is almost an occupying force composed of an army from another part of the country.

The rarity of secessionist/regionalist armed movements in post-colonial Africa has tended to encourage roving rebel-type movements. Two kinds of roving rebels have occupied centre stage in recent African history : one consisting of movements returning from exile, and the other of urban groups that shift their struggle to the countryside. In the case of the first group, the roving rebels know full well that they will be traversing areas in which the population is, at best, indifferent, but more probably hostile. The speed with which the rush to the capital is executed often leaves little room for "politicization" or winning the hearts of local populations. Indeed, in such movements the political agenda is invariably compromised by the military and economic agenda. Moreover, the logic of these movements is heavily influenced, if not determined, by their foreign allies, further undermining their local or national anchoring.

It is significant that the choice of areas to be "liberated" is often guided neither by the perceived need for liberation of an exceptionally exploited area, nor by the revolutionary potential of that area. At first, this statement may seem contradicted by the fact that, in many cases, the areas where revolts start are indeed poor. Some writers have variously sought to give this more political strategic importance than is warranted, suggesting that these are areas where the sense of alienation from the state is likely to be strong. However, this choice is more the result of security considerations than of political analysis. Remote areas, which often happen to be poor, are often far from the reach of the state security system and, therefore, as good a starting point as any. The subsequent focus is on areas likely to ensure the provisioning of the rebel army by whatever means possible. Not surprisingly, mineral-rich areas have turned out to be major targets of rebel movements. Diamonds, being highly portable and valued, are a favourite target, as we have seen in Angola, Sierra Leone and Congo. Obviously, in this rush to capture mineral wealth, such movements neither have the need nor the time to engage in the niceties of "political conscientisation" of the peasantry through whose fields they must literally march, and to whose crops they invariably help themselves. It is this behaviour that gives some credibility to the looting model of rebellion.

Where movements are initially composed of urban groups that have escaped to the countryside, following defeat in urban skirmishes or a decision to shift the terrain of the struggle, alienation from the local rural population is inevitable. Many movements of urban origin have become rural following defeat in urban confrontations. Mao Tse- Tung's retreat to the countryside and guerrilla strategy

was the consequence Hobsbawm wrote of a "spectacular failure" of insurrection in the cities. Asian history is full of rebellions that turn to banditry, and most of Mao Tse-Tung's injunctions on revolution are derived from the bitter history of failed rebellions in China and some of the lessons from past social banditry. The romantic image of youthful revolt has been that of radical urban youths responding to the clarion call of peasant uprisings. The situation in Africa has been different. Here it is the urban youth seeking to persuade the peasants to respond to the exigencies of urban revolt. They come to the rural areas convinced peasants are desperately in need of liberation. Persuaded not only of the necessity but the actuality of the revolution, they will tend to consider reluctant peasants as enemies or traitors, with death the usual penalty. In this state of mind and imbued with the contempt of the rural folk so common among urban populations everywhere, their encounter with rustic indifference or passivity can be unsettling, to say the least. They will easily resort to force and coercion.

One should note here the problems of discipline that plague both stationary and roving rebel movements. Recruits to any movement come with a wide range of motives (individual and collective), and different levels of consciousness and understanding of the issues. It is the capacity of the movement's "vanguard" to shape these diverse and divergent interests into a fighting force that ultimately determines its coherence. The product is rarely the simple arithmetical sum of individual rationality that is suggested by anecdotal interviews with individuals in the movements. The motley crew of alien urban youth and alienated local youth that constitute the majority of many movements accounts for the fuzziness of their cause, and reflects the peculiar position in the social order - a position laden with ambiguities, contradictions and extreme uncertainty. How does a movement discipline the youthful "lumpens" who are most likely to be its first adherents? The work on both successful and unsuccessful movements testifies to the centrality of this concern. The task of "taming" these elements to become a coherent and disciplined fighting force is a Herculean task that every successful revolution has had to carry out. Failure to do so can lead to defeat.

It should be borne in mind that virtually all African rebel movements have been aware of the need for discipline. Even the notorious RUF, of Sierra Leone tried to set up a "civil administration", and to raise the level of consciousness of its recruits through its so-called "ideology system" whose central motto was "arms to the people, power to the people, and wealth to the people". Abdullah and Muana report that under this ideology system, combatants were ordered not to take "even a single needle" from the local population.

Compounding matters is the relative mobility of African peasants, who can take up the exit option against the predation or violence of either state or non-state

actors. The porousness of African borders, the relative abundance of land, and the transboundary ethnic loyalties still prevailing make African peasantries more mobile than peasants elsewhere. Such peasant mobility means that guerrillas are likely to be roving rebels, stationary predation having been emptied of all purpose by the mobile prey. It is difficult to be stationary when the population (or Mao's "water") is highly mobile and subject to tidal movements. For most guerrillas this mobility of the peasantry can be devastating, since it denies them the water that they need if they are to be anything like Mao's fish.

The resource base of the movements impinges on their comportment and their relationship with the peasantry. For instance, control of diamonds and the ability to purchase arms can lead to a hasty transformation of guerrilla movements to conventional warfare, with the military side overshadowing the political side as movements become less solicitous of peasant support. The same is true of external financial support. The case of RENAMO is interesting in this respect. This movement was constituted partly by discontented FRELIMO elements, but later heavily supported by Rhodesia and South Africa. In the earlier phases, RENAMO targeted state institutions and public infrastructure, which was also part of South Africa's "destabilization" strategy in Southern Africa. RENAMO had no particular need for surpluses from peasants. With the end of financial support from South Africa and Rhodesia, however, the movement increasingly had to extract surpluses from peasants. It also sought to undermine the legitimacy of the state in the countryside by destroying whatever social services the government had provided in the post-independence era. One result was the flight of more than a million refugees to Malawi and Zimbabwe. It also became government policy to deny RENAMO the ability to become implanted in any given area, and thus deny it any success as a stationary rebel movement.

The first message is that while the focus on raw materials in some of Africa's major wars has usefully drawn attention to the need to cut off the access of rebel movements to these "conflict" resources, and while the denial of access to relatively easily cornered, portable and marketable products can severely undermine the military capacity of rebel movements, they are not the cause of wars, any more than the banks, whose "expropriation" was fashionable among urban guerrillas in Latin America, caused urban guerrilla movements. Different movements finance their rebellions in different ways, and the fixation with modes of financing may blind us to the true "root causes". The second point is that to understand the terrible toll of rebel movements, we must consider both the structural conditions that are propitious to insurgency, and the agency of individuals and social movements. We consequently need to understand the explosive nature of the combination of the urban crisis, and the social composition of these movements and their essentially "urban" agenda, on the one

hand, and, on the other, a rural social landscape that may be indifferent to these agendas, at best, and more often than not hostile to them. The roots of revolt in most African countries lie in the cities, and more specifically, the capital cities. Most guerrillas are merely "passing through" the countryside on their way to capture power in the city, or some natural resource deemed necessary for the prosecution of war. This, together with the movements' unclear political agendas, the apathy or hostility of local communities, and the complexities and peculiarities of the African rural societies, produces a volatile combination that has led to so much unnecessary suffering. We have argued why many rebel movements are likely to degenerate into banditry. One clear message for urban rebel movements seeking mechanically to apply revolutionary theories is that rural Africa is a treacherous environment, which will not only erode their political agenda but also reduce them to despicable criminals and bandits.

A third message of the paper is that, incoherent as the rebels' objectives may sound, they reflect a serious urban malaise that should not be lightly dismissed by reducing the members of these movements to simple criminals. These rebels - uncouth, brutal, difficult to grasp and hard to sympathise with - are unlikely to attract analyses that seek to understand the sources of their grievances. The temptation is to dismiss their political motivations. But we must not lose sight of the political factors behind such conflicts. The view that these conflicts are merely driven by greed is not only cynical, but can only lead to fatal political blindness.

Finally, the threat of revolt and conflict hangs like a Damocles' sword over many African countries. Understanding the "root causes" of revolt is, therefore, an important task and more work on this should be encouraged. Such work will be useful if it avoids stereotyped views of African politics and the excessively deductive accounts of the relationships between the economy and politics. What is required is more historically contextualised analysis, drawing on both African and non-African experiences, and taking national politics seriously. This paper will have served its purpose if it contributes towards a shift in that direction.

BRIEFINGS

CALL OF THE WORLD SOCIAL MOVEMENTS

Porto Alegre, Brazil - January 27th, 2003

We are meeting in Porto Alegre in the shadow of a global crisis. The belligerent intentions of the United States government in its determination to launch a war on Iraq pose a grave threat to us all, and are a dramatic manifestation of the links between militarism and economic domination.

At the same time, neo-liberal globalisation itself is in crisis: the threat of a global recession is ever present; corporate corruption scandals are daily news and expose the reality of capitalism.

Social and economic inequalities are growing, threatening the social structures of our societies and cultures, our rights and our lives.

Bio diversity, air, water, forest, soil and sea are used like commodities and are for sale. All this threatens our common future.
We oppose this!

For our common future

We are social movements that are fighting all around the world against neo-liberal globalisation, war, racism, castism, poverty, patriarchy and all the forms of economical, ethnical, social, political, cultural, sexual and gender discriminations and exclusions. We are all fighting for social justice, citizenship, participatory democracy, universal rights and for the right of peoples to decide their own future.

We stand for peace and international co-operation, for a sustainable society answering the needs of people for food, housing, health, education, information, water, energy, public transportation and human rights.

We are in solidarity with the women engaged against social and patriarchal violence. We support the struggle of the peasants, workers, popular urban movements and all those who are urgently threatened by being deprived of homes, jobs, land and their rights.

We have demonstrated in millions to say that another world is possible.

This has never been more true and more urgent.

No war!

The social movements are against militarisation, the increase of military bases and state repression that create countless refugees and the criminalisation of social movements and poor people.

We are against the war on Iraq, the attacks on the Palestinian, Chechnian and Kurdish people, the wars on Afghanistan, Colombia, in Africa and the growing threat of war on Korea. We oppose the economic and political aggression against Venezuela and the political and economic blockade by the US government against Cuba, and elsewhere. We are against all kinds of military and economic actions designed to impose the neo-liberal model and undermine the sovereignty and peace of peoples around the world.

War has become a structural and permanent part of global domination using military force to control people and strategic resources such as oil. The United States government and its allies are imposing war as a more and more common solution for resolving conflicts. We also denounce the deliberate attempts made by imperialists to increase religious, ethnic, racist, tribal and other tensions and strife all over the world in order to pursue their selfish interests.

The majority of public opinion around the world is opposed to the war on Iraq. We call on all social movements and progressive forces to support, participate in and organise worldwide protests from February 15th 2003. These protests are planned and co-ordinated by all those who oppose the war in over 30 major cities around the world.

Derail WTO

The World Trade Organisation (WTO), the Free Trade Area of the Americas (FTAA) and a proliferation of regional and bilateral trade agreements, such as the Africa Growth and Opportunity Act (AGOA) and the proposed Central America free trade agreements, are used by multinational corporations to promote their interests, to dominate and control our economies and to impose a development model which impoverishes our societies. In the name of trade liberalisation, every aspect of life and nature is for sale and people are denied their basic rights. Agro-multinationals are trying to impose GMOs worldwide; people suffering from HIV/AIDS and other pandemics in Africa and elsewhere are denied access to cheap generic drugs. In addition, countries of the South are trapped in a never-ending cycle of debt that forces them to open up their markets and export their wealth.

In the coming year our campaigns - against the WTO, the FTAA and trade liberalisation will grow in size and scope. We will campaign to stop and reverse liberalisation of agriculture, water, energy, public services and investment, and to reassert peoples' sovereignty over their societies, their resources, their cultures and knowledge and their economies.

We are in solidarity with the Mexican farmers who say "el campo no aguanta mas" ("the farmers are fed up") and in the spirit of their struggles we will mobilise locally, nationally and internationally to derail the WTO and the FTAA. We support the worldwide movement to fight for food sovereignty and against the neo-liberal models of agriculture, food production and distribution. In particular, we will organise mass protests around the world during the 5th ministerial meeting of the WTO in Cancun, Mexico, in September 2003 and during the ministerial meeting of the FTAA in Miami, USA, in October.

Cancel the debt

The full and unconditional cancellation of Third World Debt constitutes a prerequisite condition in order to fulfill even the most basic human rights. We shall support any indebted country that would stop its external debt payment and would break its agreements with the IMF, especially the Structural Adjustment Programs. Centuries of exploitation of the Third World people, their resources and environment have given them the right to reparations. We ask: "Who owes whom"? These issues will be raised in the major campaigns being held in 2003 at the G8 (Evian/June), WTO (Cancun/September) and the IMF and World Bank annual meeting (Washington/September).

Opposing the G8

We call on all the social movements and progressive forces to be part of the mobilisation to denounce the illegitimacy and to also reject the policies of the G8 that will be meeting in Evian, France, from 1-3 June 2003. This mobilisation will also be organised all around the world with an international gathering at Evian (France) that will include an alternative summit, alternative camp and a huge international demonstration.

Women: promoting equality

We are part of the actions promoted by women's movements on International Women's Day on March 8 to fight against all forms of violence and patriarchy and for social and political equality.

In solidarity

We call for solidarity from all progressive social forces, movements and organisations across the world for those peoples such as the Palestinians,

Venezuelans, Bolivians and others who are facing extreme crisis and are fighting against imperialist hegemony at this very moment in time.

We call to the people

As we strongly believe that another world is possible, that other worlds are possible, because we have begun to build it in our commitments, our struggles and international meetings, we are determined to go on and strengthen our unity, against the war, against poverty and for peace and social justice.

Enhance our international network

Last year during the World Social Forum in Porto Alegre, we had adopted a declaration that defines our aims, our struggles and the ways we build our alliances. The spirit of this text is still living and will inspire our coming mobilisations.

Since then, the world has been changing very quickly and we feel the need to take a new step in our decision-making processes, in our co-ordinations and alliances; the need to promote a broad, radical, democratic, plural, internationalist, feminist, non-discriminatory and anti-imperialist agenda.

We now want to build a framework articulating our analyses and commitments to our mobilisations. This requires the active participation of all the movements, keeping in mind that the social forums are independent from governments and political parties (as given in the WSF Charter of Principles) and keeping a respect for their autonomy. This framework would be strengthened by all different social actors contributing and sharing their experiences and concrete social practices. Further, this would be in accordance with the different forms of political expression and organisation of the social movements and with regard to the diversity of ideologies and cultures.

We feel the need to constitute a network of movements that is responsive, flexible and sustainable; yet is also broad and transparent. Its responsibilities should be to enrich and feed the process, to promote its diversity and to assume the necessary degree of co-ordination. The aims of the network will be to enhance the engagement of movements around the world in a deeper political debate, to facilitate common action and to strengthen the initiative of concrete actors fighting for social interests. Its work should be both horizontal and effective.

To this end we propose to build a contact group as a resource and tool for our international mobilisations, including preparing meetings, promoting debate and democracy by promoting a website and mailing lists. This contact group would be established for a period of between six and 12 months and it will be drawn on the past experience of the supporters of the network of social and popular movements that are based in Brazil.

This arrangement is transitional and will ensure continuity. The main task of this provisory group is to facilitate debate so that the social movements around the world define concrete procedures to work together. It is an ongoing process. A first review of the new contact group will take place at meetings of the network of social movements during the mass mobilisation against the WTO in Cancun in Sept 2003. A second review, again in assemblies of the network of social movements, will follow during the WSF meeting that is expected to be held in India in 2004.

Among other things, the reviews will consider the effectiveness of the co-ordination and seek new ways to enhance it. It will also consider how to proceed from one year to the next, and how to include national, regional movements and thematic campaigns. In the meantime, we need a large debate among organisations, campaigns and networks to articulate the proposals for a more permanent and representative structure.

In the months to come we will have many occasions to experiment, improve and build this process through our campaigns and mobilisations.

We call for all networks, popular and social movements to sign this statement within two months.

SUBMISSION TO THE AFRICAN UNION SUMMIT

CONTINENTAL CIVIL SOCIETY MEETING ON THE AU AND NEPAD

Durban, 1 - 2 July 2002

Organised by the Renaissance South Africa Outreach Programme

Introduction

1. Representatives of African civil society organisations (CSOs), meeting in Durban, South Africa from 1 to 2 July 2002, met to discuss the role of CSOs with respect to the African Union (AU) and the New Partnership for Africa's Development (NEPAD).
2. Participants welcomed the creation of the AU as a landmark in the process of shared aspirations for African unity, on the continent and in the diaspora. CSOs have raised many critical concerns about the NEPAD initiative around its proposed principles and strategies, legitimacy, process and outcomes. However, CSOs remain hopeful that NEPAD, as an initiative, will be a manifestation of the African renaissance with common strategies for overcoming impoverishment, and achieving gender equity on the continent, as well as playing a major role in facilitating economic viability for Africa in the global economy.
3. Participants welcomed the growing engagement between the OAU/AU and CSOs, as manifest in the two OAU-CSO meetings held in Addis Ababa in June 2001 and June 2002, as well as the Symposium on the AU convened on 3 March 2002 in Addis Ababa, and fully endorsed their outcomes. Applauding the democratic principles underpinning the Constitutive Act of the AU, participants called upon the NEPAD Implementation Committee to engage with African CSOs on a similar basis of full consultation and participation.
4. Discussions were wide-ranging and passionate and were informed by a number of basic themes. Prominent among these was a recognition that democratisation and civil society were a reality that could not be ignored. The demands for greater participation of all vulnerable groups - that is women, the youth, and the disabled - recurred throughout. The meeting recognised the threat of HIV and AIDS to Africa's prospects and acknowledged the fight against the pandemic as a priority for all as well as the causes of maternal mortality. Fight against these communicable diseases should be premised on the eradication of poverty.
5. However, participants acknowledged that much more needed to be done to realise the objectives of the AU and the NEPAD programme. The meeting convened into five working groups to pursue these issues, namely the role of civil society on (1) governance and democracy and NEPAD; (2) peace and

- security; (3) AU Organs; (4) development and resource mobilisation; and (5) youth development. The meeting then agreed to the following recommendations.
6. The meeting had extensive briefing and discussion on the issue of human security. It took note of the centrality of human security in the overall effort being deployed at national, regional and continental level towards sustainable development, and resolved to recommend that development policies of African governments should be informed by this concept.

Recommendations

7. Cognisant of the proposed *AU Gender Directorate* for the effective mainstreaming of gender in the AU, a **Commissioner** with an exclusive mandate on gender issues needs to be designated, and provided with adequate financial, human and material resources. Recognising the fact that African states have ratified the UN Convention on the Elimination of All Forms of Discrimination Against Women (1979), we therefore demand that all structures of NEPAD and the AU meet the Beijing Platform minimum of 30 percent women representatives on the way to full gender equality.
8. A **Specialised Technical Committee on Gender** (in accordance with Article 14 of the Constitutive Act of the AU) needs to be established within three to six months of the adoption of this report.
9. The Assembly of Heads of State should expedite the ratification of the *Additional Protocol to the African Charter on Human and People's Rights Establishing the African Court of Human and People Rights* and recognise its independence from the Court of Justice. All civil society organisations within the continent must lobby their governments to expedite this process. A **Human Rights Committee** needs to be set up under the *Specialised Technical Committees Establishment and Composition*.
10. The Assembly of Heads of State should expedite the establishment of the *Court of Justice* by appointing **judges** to the court and giving them autonomy with respect to setting rules and regulations for the Court.
11. It is necessary to strengthen the role and capacity of **African women**, in particular women economists in the engendering and management of fiscal and financial policy on the continent, and for institutions to maximise access to low income groups, especially women.
12. Financial institutions and other organs of the AU should be held accountable and monitored within a **framework** of good governance and corporate responsibility.
13. A people centred approach to regional integration, based on sub-regional schemes, would be the best framework to address the continent's development and should be regarded as the building blocks towards greater unity and integration within the AU.
14. A focus on accelerated rural development with a special focus on agriculture as the key developmental priority of NEPAD should guide an inward

looking model of accumulation.

15. The economic policy framework should be facilitated by a strong and inclusive developmental state which engages various levels of society in producing a developmental plan and guides markets to focus on internal investment and resource mobilisation.
16. The AU is urged to facilitate free movement of people and goods across borders in particular to facilitate people-to-people interaction and trade as a basis for inward-oriented development.
17. The AU should promote the use of existing networks of the continent's **research institutions** to strengthen its policy formulation capacity, and ensure that the Pan African Parliament has a strong policy research capacity.
18. The AU should promote and protect the use of **indigenous knowledge systems** in the continental agrarian practices within the framework of the Convention of Biological Diversity of Agenda 21 endorsed by the OAU and within Trade Related Intellectual Property Rights (TRIPS) to ensure indigenous resources are used for Africa's development.
19. African leadership needs to recommit to and implement the **Lusaka Agreement** as well as encourage the formation of partnerships with civil society. The inclusion of civil society in government processes is important and should be strengthened and highlighted to society at large. In promoting peace and security, the building of partnerships between civil society and governments should be based on genuine respect for and recognition of local knowledge.
20. Traditional as well faith leaders should be encouraged to engage with the AU and participate in the deliberations of NEPAD.
21. Eminent members of civil society should form part of the **panel of elders or the wise**. This should include exemplary former heads of state and government and/or politicians, traditional leaders and elder community men and women who will advise the Peace and Security Council of the AU. There is provision for the PSC to call on civil society to make recommendations and in this regard, civil society must make recommendations and have input on **early warning systems** and other conflict prevention and resolution mechanisms.
22. The AU should place **youth** at the centre of development, including skills development programmes for youth. There is a need for statutory youth councils at national levels, to be linked to regional youth structures aligned to regional economic blocks such as ECOWAS, SADC, COMESA and IGAD, as well as to a continental youth council that will interface with the AU.
23. CSOs should energetically monitor the commitments made by African Heads of State at Abuja in April 2001, including the target of 15 percent of budget to be spent on health, and the annual report on progress in combatting HIV/AIDS and other infectious **diseases** to be presented to the AU Summit.
24. On the role of civil society on governance and democracy as well as in

relation to NEPAD, it should engage with the AU in a variety of ways.

25. CSOs must take every opportunity to engage with NEPAD, both through AU institutions such as the **ECOSOCC** and through NEPAD mechanisms such as the APRM. Civil society demands representation in NEPAD decision-making processes and structures. In parallel, CSOs must set up their own monitoring system to monitor NEPAD, based on nerve centres in the five key countries that form the NEPAD Steering Committee plus Addis Ababa. These should cover advocacy, communication and dissemination of information. We demand that the AU's institutions for accountability and oversight, namely the PAP, ECOSOCC and the African Court of Justice be set up immediately and democratised as quickly and thoroughly as possible. All governments should be encouraged to move immediately to ratify the PAP protocol and deposit the instruments of ratification with the AU commission.
26. Civil society should develop a **monitoring mechanism** to evaluate the performance of NEPAD member countries independent of the APRM.
27. Organs of civil society should develop their **own codes of conduct** and monitoring mechanisms for their own performance.
28. CSOs on the continent are encouraged to interact with similar organisations throughout the world, in particular with African organisations in the diaspora and CSOs in the global South.
29. Africans at all levels need to know more about NEPAD, its constituent parts and other regional and sub-regional initiatives and institutions. NEPAD Secretariat should undertake a **publicity campaign** and consult as widely as possible with all stakeholders. All documents should be translated into as many African languages as possible and disseminated using different media. A special effort should be made to provide translation services in NEPAD, AU and CSO meetings.
30. We urge that the **elective principle** be applied in constituting ECOSOCC, rather than having representatives appointed by governments. We also recommend the setting up of a meeting between representatives of CSOs and the AU to determine the modalities of ECOSOCC's establishment as well its protocol and other appropriate instruments.

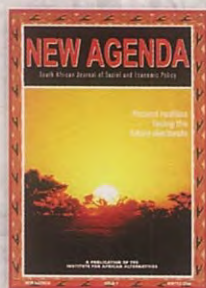
Conclusion

31. Civil society resolved that continuing engagement with AU and NEPAD must be an ongoing priority. CSOs in all their varying manifestations should engage with states and continental initiatives and institutions, and vice versa.
32. African unity and development have long been a vision of African people. African civil society, therefore, resolves to be vigilant in ensuring that African leaders remain true to their commitments as enunciated in both the Constitutive Act of the AU and the principles of the NEPAD process.

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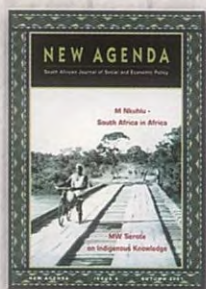
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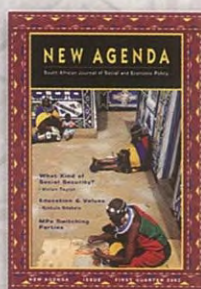
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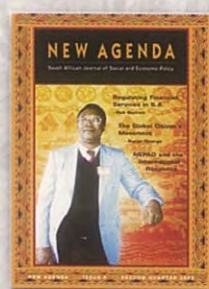
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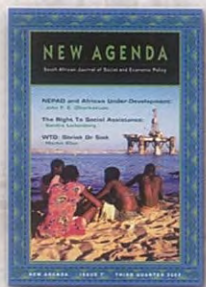
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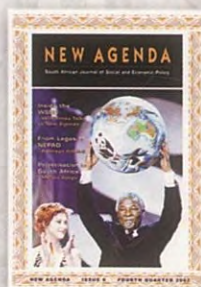
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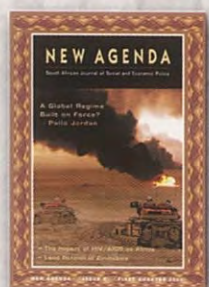
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