

## **Cronin & Company Harness Marxism to the Service of White Monopoly Capital** (*The SACP and the Cronification of Marxism*)

In this article Oupa Lehulere argues that Cronin and his party comrades are using Marxism to defend the interests of white monopoly capital. Lehulere critiques their attack on Malikane and shows how their attack on Malikane is in defence of white monopoly capital. Lehulere further explore the theoretical and strategic errors of Malikane himself.

Chris Malikane's publication of his opinion piece, "Concerning the Current Situation" (circulated in *samizdat* form) in early April and in the midst of his appointment as the advisor to the new Finance Minister Malusi Gigaba, was bound to cause controversy among all the custodian of economic order and privilege in South Africa. Of course, the established press and its opinionistas were, as expected, outraged. The lynch mob was out, first to show that Malikane's prescriptions were "voodoo economics", second to show that with his appointment as advisor to the minister the apocalypse had arrived; thirdly that the Guptas were salivating with all the trillions sitting in the Treasury, and that to save the country Malikane had to be lynched. Gone was the decorum of 'debate' – Malikane was most likely (similar to many black academics that dare to have an opinion before him) unqualified to be an Associate Professor, and should therefore be dismissed by Wits forthwith.

Given the way the political terrain had lined up following the firing of Pravid Gordhan as Minister of Finance, it was a matter of time before the lynch mob emerged from the left. The mob from the right was running out of steam and Malikane did not seem to be going anywhere. The left mob duly appeared, and it came in the persons of none other than prominent theoreticians and party bureaucrats of the South African Communist Party (SACP).

Malikane was now not just guilty of 'voodoo economics' such as calling for nationalisation and expropriation without compensation; he was now accused of the 'Gupterisation of Marxism'. This is the charge that Jeremy Cronin, Alex Mashilo and Malesela Maleka (hereafter Cronin et al), all from the SACP, accused Malekane in an article titled "Chris Malikane and the Gupterisation of Marxism" (Politicsweb, 11 May 2017). The killer phrase was to associate Malikane with the infamous Guptas – the main villains in the coming apocalypse.

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I would like to emphasise from the beginning that from my standpoint the issue is not that Malikane's analysis cannot be criticised, or that I am in agreement with all he says in his article. I return to Malikane at the end of this article. The point at issue it that it's important for those struggling for social justice based on overcoming the deep poverty and inequality generated by South African capitalists and capitalism to defend the space for debate on radical alternatives. Cronin et al have crossed over to the party of white monopoly capital, and they do everything in their theoretical powers, bringing to bear their prestige as SACP party leaders and their struggle credentials to destroy anyone who dares question the dominance of white monopoly capital in South Africa today.

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### **Part 1: The execution of Malikane by Cronin et al**

In this part we look at how Cronin uses the methods of falsification and dissembling to defend white monopoly capital.

### **The execution of Malikane – the general method**

How was the job at hand to be executed? This was no easy task, considering that all Malikane had done was to reproduce the old positions of the SACP: the need for a second phase of the revolution with the aim of “consummating the national democratic revolution” (NDR, for those who forget), or in its recent incarnation, the second phase of the transition. All he asked for was the old demands of the Freedom Charter – the nationalisation of the commanding heights of the economy. Indeed, all he did was to go back to Morogoro (1969) and argue for the leading role of the black working class (with even the standard qualification of the ‘African majority’) in this phase of the revolution. Further, and again true to the creed of the SACP, he argued for a broad popular front led by the working class but including sections of the black capitalist class. Consistent with a significant body of Marxist political thought, but maybe a bit to the left of SACP orthodoxy, Malikane made it clear that in this second phase the section of the capitalist class likely to join the battle against white monopoly capital, what he called the “tender-based black capitalist class” may vacillate and was “extremely unreliable”. Nevertheless, Malikane stuck to party orthodoxy – a broad popular front of progressive forces.

Faced with the difficulty of attacking their own creed, the 3 SACP heavyweights gave Malikane the full treatment that is the speciality of Big Media: misrepresentation of his position by omission or commission, belittling him (he has a “mini-manifesto”), casting aspersions without directly accusing Malikane of visiting the Guptas, obfuscation and dissembling, philosophical and theoretical sleight of hand, cast doubt whenever possible, label the person negatively (‘vulgar empiricism’, ‘non-Marxist’, ‘opportunist’) and avoid dealing with any issue that may complicate the argument. Wittingly or unwittingly, to borrow from Cronin et al, they even flirted with ‘fake news’ and ‘alternative facts’. As is the norm in operations of this kind, semantics and hair-splitting come in handy, and so while we are assured that “Marxist scriptural orthodoxy” will not be the point, we are nevertheless treated to a lot of “scriptural orthodoxy”. Cronin et al’s attack on Malikane shows how deeply the SACP has become implicated in the neoliberal project and ‘class project’ of 1996, as the SACP calls Gear. Here Cronin et al harnessed (a fake) Marxism to the service of white monopoly capital.

The general strategy of the defence attorneys – for this is what Cronin et al are in relation to white monopoly capital – is to do what attorneys faced with difficult cases do: show that Malikane cannot prove his case beyond reasonable doubt. If the public and the activists can be shown that Malikane cannot prove his case beyond reasonable doubt, then we are left with...support for the establishment: white monopoly capital.

### **Does white monopoly capital exist?**

Confronted with fierce resistance from white monopoly capital for the dismissal of Nhlanhla Nene, and preparing for a second bite at the Treasury through the dismissal of Pravin Gordhan, the Zuma faction knew it had to be better prepared. They could not afford the disorderly retreat that saw them appoint and dismiss Des van Rooyen within 3 days. To do this they borrowed from the political tool case of the liberation movement – drafted by the SACP itself among others – an old idea of white monopoly capital. Big Media (that is the media houses owned by the old ruling classes of apartheid) tried to discredit the argument advanced by Zuma’s faction that the main problem facing the country since 1994 was the dominance of white monopoly capital. Big Media advanced an alternative explanation, namely that the idea of white monopoly capital was a fiction created by one Bell-Pottinger, a public relations firm based in London. As the weeks went by, however, it became difficult to simply brush away the concentrated and

'racially' skewed ownership of the South African economy as created by Bell-Pottinger. Enter Cronin et al.

According to Cronin et al, "Capital, the subject matter of Marx's famous study, knows neither colour, creed nor sexual orientation. From a Marxist perspective, it does not make sense to speak of 'white' (or any other colour-coded) capital, just as it doesn't make sense to speak of 'female capital' or 'Hindu capital' " Having made the move to strip capital of any 'colour-coding', Cronin must continue to deny what for many looks like an obvious "reality". According to Cronin et al, "...racial or patriarchal oppression are *extraneous* to the laws of capital in general..." (my emphasis). This according to Cronin et al, is not withstanding the fact that 'race' and patriarchy "have played an *exceptionally* prominent role" (my emphasis) in South African capitalism. And so colour ("race") and patriarchy are *extraneous* to capitalism in general, meaning that they are 'irrelevant or unrelated' to capitalism "in general", but their role in SA is "exceptionally prominent". Which of the two positions are we to believe?

The point here is that we are being treated to a polished piece of sophistry. What Malikané was attempting to understand – correctly or incorrectly – was the *concrete capitalist social formation* in South Africa and a *concrete configuration of classes* that it gave rise to. Capital in general, a category Marx used to facilitate theoretical analysis, is brought in here by Cronin et al to cast doubt on the existence of white monopoly capital. At no point in a very large body of work does Marx and Engels or the equally large body of authoritative exponents (Lenin, Rosa Luxemburg, Trotsky etc) draw political, strategic and tactical conclusions from the category of "capital in general". For Lenin to make sense of Russian capitalism and to draw strategic political conclusion he had to undertake a concrete analysis of capitalism (The Development of Capitalism in Russia), the German left had to understand the concrete form of capitalism dominated by Junkers, etc.

For people not wedded to 'scriptural orthodoxy', its remarkable how hair-splitting between "capital" and "capitalism" is used for rather obvious political purposes. It is true that as a general category 'capital' is self-expanding value. It is equally true that this self-expanding value is not a thing (as 'vulgar economy' would have it), but a social relationship. It has no capacity for self-expansion outside its domination and consumption of labour-power. The specific relationship of domination that it has over labour-power defines the real movement of self-expansion. "Oppression" of any kind (racial, religious, tribal, patriarchal, oppression based on sexual orientation, etc) *can never* – in Marxist terms anyway – *be extraneous* to the accumulation of capital. And seeing that the ghost of the Guptas 'hangs like a nightmare on the brains of living', there can certainly be such a thing as 'Hindu capital'. It all depends on the concrete social formation under investigation, and the concrete configuration of classes that capitalism gives rise to in that social formation.

And so, is there such a thing as 'white monopoly capital'? Seeing that according to Cronin et al capital is colour-blind, and seeing that South African capitalism is exceptionally racialised (also by Cronin et al), we are treated to the analysis of the capitalist class in South Africa through the method of 'majority rule'. Listen to this: "Unquestionably, overwhelmingly the majority of capitalist in South Africa are white and male." (Cronin et al) Further, we also have monopoly capital in South Africa: "It is true that from the mid-1990s there was an implicit elite pact between established monopoly capital in South Africa and elements of the new ANC political elite." (Cronin et al). There is therefore such a thing as "monopoly capital" in South Africa, and the majority of capitalists in South Africa are 'white' – but according to Cronin et al there is no such a thing as white monopoly capital! The fear of Bell-Pottinger! Throughout the article we

have all sorts of descriptions or categorisation of the capitalist class or its fractions in South Africa, variously 'monopoly', 'white', 'largely white', 'overwhelmingly white', 'majority white', 'established monopoly capital', 'globalised monopoly capital' etc, - but never the twain shall meet – white monopoly capital refuses to come to life in Cronin et al's theory and imagination.

### **Where does value come from? Or, another distraction**

Cronin et al's paper is replete with a lot of 'profound' questions of Marxist theory, which after examination turn out to be another distraction away from examining the hegemony of white monopoly capital in South African society, and in particular its economic and political stranglehold over all levers of power in society. One such question is "where does value come from?"

The reader would be very mistaken and disappointed to think that what was going to be discussed was the difficult and important question of value theory. We are in for a much more concrete and comparatively much more mundane discussion. In his article Malikane sought to show that since 1994 (and here Malikane was corrected by Cronin et al for not giving "1994" the proper characterisation) white monopoly capital has been overwhelmingly dominant in all aspects of South African society. In making this argument, Malikane makes the claim that "white monopoly capital owns and controls South Africa's resources...". Cronin et al go out of their way to disprove or at least cast doubt on this argument of Malikane.

Against Malikane they show that the state owns a lot of economic resources, and they list them (various state owned enterprises). Malikane may have been overzealous in showing this ownership and control of South Africa's resources by white monopoly capital (a product of the sins of professorship I would argue), but without doubt his main argument is the overwhelming hegemony and dominance of white monopoly capital. What does Cronin et al offer as an alternative to Malikane's analysis or propositions?

After strenuous objections to Malikane, we are treated to a long list of state owned enterprises as counter-argument – a true case of "vulgar empiricism" if there ever was one. And then we are told, by Cronin et al, "whether the post-1994 democratic state has used its ownership and control over this vast asset base to effectively leverage and drive radical transformation is another matter" (!) Malikane argues that post-1994 it is the overwhelming dominance of white monopoly capital that explains the failure of the transition, of the transformation of the living conditions of all classes that were historically oppressed. For Malikane, this failure to transform the conditions of all historically oppressed classes is a direct product of the hegemony of white monopoly capital – and on the face of it, he appears correct because notwithstanding the formal ownership of these assets by the "democratic" state, no transformation has taken place. Against this, Cronin et al argue that this issue "is another matter"! The lengthy excursus on "where does value come from?" has come down to this: leave white monopoly capital out of this! It is difficult not to see the point Malikane makes when he argues, "ideologically, white monopoly capitalists have even started a campaign in which their very existence and relevance is being denied". What he would never have banked on is that this campaign would be joined by leading theorists of the SACP.

### **Classes, fractions of classes, smoke and mirrors**

Cronin et al teach us that "in a capitalist system there are two major classes – the capitalists (the bourgeoisie) and the working class (the proletariat)... There are not three or more separate capitalist classes within the South African capitalist system, nor are there several working

classes.” Malikane’s “mini-manifesto” (a la Cronin et al) is then attacked for arguing that there are a lot more classes, “black capitalist class”, “white capitalist class” etc., etc. What are we offered instead of Malikane’s “confusion”? We learn that “there are certainly multiple strata and fractions within these two major contemporary classes, and there are multiple contradictions,..” and so on and so on. What, after all, was the point of all this hair-splitting, especially for people who have promised us that there will be no “scriptural orthodoxy”?

Ostensibly, the main point is to argue that although the “majority of capitalists are white” (Cronin et al), “that does not make black capitalists, whether “credit-bases” or “tender-based” a progressive force”. Having admitted that there can be such a thing as “black capitalists”, we see that the main point was no so much that of a heavy Marxist theory of classes, but a more simple point: to counter Malikane’s argument that sections of the black capitalist class (fraction, if you like) *may* be progressive. We say *may* advisedly, because actually Malikane did not argue that “credit-based black capital” is a progressive force. According to Malikane, “within the African capitalist class, the upper stratum which is credit based is found inside, and accumulates directly through, established white monopoly capitalist structures.”, and so he argues that “the battle over the removal of the Finance Minister above all is the battle waged by white monopoly in alliance with the credit-based black capitalist...”

Even with respect to “tender-based capital”, Malikane’s position gets misrepresented by Cronin et al in order to justify their (hidden) defence of white monopoly capital. According to Malikane, having noted that the “tender-based” black capitalist fraction is at war with white monopoly capital, Malikane argues that “the tender-based black capitalist class is not likely to win this battle without the support of the mass of the black and African working class....[but this class’s] relationship to the organised working class, which is the only force that is capable of disrupting white monopoly capital at the point of production, is very weak if non-existent.” Noting these structural weaknesses of the “tender-based” black capitalist fraction, Malikane argues that “nevertheless, from the standpoint of the objective analysis of class forces, *in so far as* (emphasis mine) the tender-based capitalist class has begun the war against the dominant white monopoly capitalist class, it has to be encouraged”.

By creating the impression that Malikane argues that the “credit-based” black capitalists are ‘progressive’ (here we have a case of fake news), and by failing to reflect Malikane’s position on the ‘tender-based’ fraction truthfully (it is supported only ‘in so far as’ – a conditional support), Cronin et al create smoke and mirrors whose only aim is to leave us with support for white monopoly capital, and to create an impression that Malikane is ‘confused’, ‘imprecise’ and his “overall strategic and tactical positioning” – to fight white monopoly capital – should be rejected.

Cronin et al, however, are not averse to supporting ‘tender-based’ black capitalists. As they say, “of course, the SACP does and should support using state procurement and TRANSPARENT tendering to ensure re-industrialisation... These are important pillars of any second radical phase.” The *correct* attack on Gupta state looting and weakening follows. And the real point? Here is Cronin et al, “where Malikane is completely wrong is his elevation of “tender based” capitalists as a vanguard force or, at the very least, a useful spear-head, in a patriotic “war” against “white” monopoly capital in the name of radical economic transformation”. We have here another case of fake news or alternative facts as a polemical device. Did Malikane elevate the ‘tender-based’ black capitalists to the level of a ‘vanguard force’? Let Malikane speak for himself:

“...though extremely unreliable, those sections whose accumulation is constrained by white monopolisation of value chains...and that section of the black capitalist class that is currently at war with white monopoly capital in particular” will form part of an anti-monopoly capitalist front. He goes on, “given its unreliability, this section needs to be won over in so far as it is warring against white monopoly capital, and it has to be neutralised in cases where its battalions are retreating” Well, hardly a description of a vanguard force! And who did Malikane put forward as the vanguard force in his proposed anti-monopoly front? Lets allow him to speak for himself: “

“The absence of independent working class action in the battle for ownership and control of state power or ‘state capture’, poses a serious threat to the entire country. The black working class must contest to capture state power as a class...[w]ithout independent working class action at this stage, the masses of the African people will be left trailing behind warring capitalist groupings.” Even more important, Malikane continues:

“Neither of these capitalist groupings posit a programme whose outcomes favour the black and African majority, which is working class. These warring groups of capitalists can either unite when they sense that the African working class is stirring up to fight both of them, or they can lead the country into a civil war as they split the working class into camps to fight on their behalf!”

The purpose of all this hair-splitting by Cronin et al is to create an impression that since 1994 the capitalist class had no dominant fraction that drove the nature of the social formation. Where Malikane was unambiguous that white monopoly capital was the dominant section of the capitalist class, Cronin et al refuse to answer an elementary question and purpose of any class analysis, which is to clarify the specific and concrete configuration of the dominant class in society – the capitalist class. It is unhelpful to be told about “capital in general”, and a long list of fractions and their “non-antagonistic” character. For ‘strategic and tactical positioning’ we need to know what fraction constitutes the dominant and unifying fraction of capital (unifying the capitalist class), and thus determines the general interests of the class as a whole.

Cronin et al have gone to great lengths to ridicule the position held by Malikane on the current situation in South Africa. This is notwithstanding the fact that Malikane’s position is nothing but the traditional position of the SACP, which is now being re-written by Cronin et al in order to defend ex-Minister Gordhan and with him white monopoly capital.

### **BEE and privatisation**

In his article Malikane argued that an alliance exists between white monopoly capital and what he called “credit-based black capitalists”. The offer of shares on credit to sections of black capitalists – the essential element of Black Economic Empowerment (BEE) - “a bribes scheme, is used largely to capture the top leadership of political parties, particularly the leadership of the ruling party” (Malikane). Malikane went on to define this section of the black capitalist class as “the enemies of the people” who are in the camp of white monopoly capital and who must be isolated. Again, Cronin et al treat us to another round of dissembling, misrepresentation and cover up.

We are told by Cronin et al that BEE policies “were not unilaterally engineered by ‘white monopoly capital’” Monopoly capital, we are told, “reluctantly conceded” to BEE as preferable to “real transformation”. As to why monopoly capital should be reluctant to accede to something that protects its interests and avoids “real transformation” we are not told. The next step in this

theoretical obfuscation by Cronin et al is to argue that Thabo Mbeki's administration pushed for privatisation in order to promote BEE capitalists.

Firstly, it is not true that privatisation was introduced by Thabo Mbeki in order to promote BEE. Privatisation is one of the key policy platforms of international monopoly capital and became a major policy platform of this class from the end of the 1970s. In South Africa, white monopoly capital, faced with the rising militancy of the black working class in the 1970s and 1980s, adopted privatisation as part of its policies from at least the end of the 1980s. In 1987 the apartheid state, working closely with white monopoly capital over a long period, but more particularly since the Carlton Centre Conference in 1979, published its White Paper on Privatisation and Deregulation. Only the resistance by the black working class slowed down privatisation, and the Mbeki administration and crisis of BEE share-deals certainly did not originate the policy of privatisation. Already in 1990, the last apartheid president, De Klerk, made it clear that privatisation was a key policy for post-apartheid South Africa. We would imagine that there would be no contest that De Klerk acted in the interests of white monopoly capital?

Once again we see the lengths to which Cronin et al would go to protect and shield white monopoly capital from any role in driving the policies that have shaped post-apartheid South Africa.

### **Neoliberalism, different fractions of capital, ...and ex-Minister Gordhan**

The firing of Pravin Gordhan by President Zuma, we are told by Cronin et al, was because Gordhan and Mcebisi Jonas (his Deputy) were in the vanguard of the struggle against 'corporate looting of public resources'. Throughout their intervention, Malikane is attacked because "wittingly or unwittingly" he supports corporate looting of public resources. As it turns out, while Cronin et al counsel a 'strategic and tactical positioning' that struggles against the corporate looters, there is another ally that is powerful enough to stop Minister Gigaba and his corporate looters in their tracks. At the very beginning of their intervention Cronin et al tells us that:

"...no sooner was the ink dry on Malikane's mini-manifesto than reality (!) itself stepped in. Within 24-hours of his appointment, the new Minister of Finance was announcing 'no change in macro-economic policy'; and within 10 days of his appointment, Malikane was saying that his bold manifesto proclaiming the dawn of a radical new phase of the NDR was just a 'suggestion' and that his role in the Treasury was purely 'technical' ". It would appear, therefore, that there is a power that has 'considerable dominance' (to borrow from Malikane) to force Malikane to change his mind within 10 days, and for Minister Gigaba to change his within 24 hours. Who has such overwhelming dominance?

After much sophistry, smoke and mirrors, tricks of all kinds, we at last have a piece of lucid, if self-defeating, analysis by Cronin et al: "While there are always tensions between different capitalist factions and strata, they all ultimately stand and fall by the laws of capital accumulation. And, in our contemporary era, as the Indian communist and leading academic economist Prabhat Patnaik notes, these laws are neoliberal. Neoliberalism is not an ideological choice within contemporary globalised and financialised capitalism – it is fundamental to its existence".

Cronin et al continue, "As long as you try to progress along the trajectory of capitalism with what-ever agenda (centre-right, centre-left with a smattering of Keynesianism, narrow

nationalism), you are bound to kneel before the canons of neoliberalism – which is why, barely 24-hours after being in office, Gigaba announced that there would be ‘no change in Treasury policy’ “.

Who is this almighty, all-conquering power that has “unfettered dominance” over all that comes before it (centre-right.....)? We learn that it is “neo-liberalism” (Cronin et al). Who owns ‘neoliberalism’, whose programme is it? Cronin et al are of course afraid to answer this question directly. Many activists, and not only of Marxist persuasion, have come to accept that neoliberalism is an economic, political and social programme of globalised and financialised monopoly capital. Globalised and financialised monopoly capital is the power that stands behind, that ‘owns’ neoliberalism. Who is globalised and financialised monopoly capitalism in South Africa? It is white monopoly capital, or what Cronin et al choose to call “largely white monopoly capitalists”.

It would appear, after all, that Malikane’s characterisation of white monopoly capital as having “unfettered dominance” since 1994 is not as far-fetched as Cronin et al would have us believe.

Neoliberalism, however, did not begin on the early hours of the 31 March 2017, when Gigaba became Minister of Finance. Neoliberalism has been the programme of the South African state since at least 1996 with the adoption of Gear – in fact even before that. This brings us to an important if interesting conclusion.

Whenever neoliberalism is dominant, according to Cronin et al, whoever follows “along the trajectory of capitalism” is bound to “kneel before the canons of neoliberalism”, and this means to kneel before white monopoly capital. It is undeniable, therefore, that all ANC Finance Ministers from Trevor Manuel to Gigaba (we have to include him to complete Cronin et al’s argument) knelt before white monopoly capital and served its interests. This includes, in particular, Pravin Gordhan, that vanguard of the struggle against corporate looting of state resources.

It is now easy to see why Cronin et al go to all these lengths to deny the existence of white monopoly capital, to deny that it has anything to do with privatisation, to deny its hegemony over the state and South African society. Cronin et al are militant defenders of Pravin Gordhan, that faithful servant of white monopoly capital and its globalising and financialising international counterparts.

There is irony in the fact that Cronin et al denied the existence of white monopoly capital only to prostrate themselves before it. It is a falsification that Prabat Patnaik adopts a position that prostrates the socialist movement before international monopoly capital. This is a peculiarly South African Communist Party phenomenon and is due in the main to its long positioning within Stalinism – and in particular Stalinism’s lack of any faith (except in rhetoric) in the revolutionary potential of the working class. In South Africa this lack of faith in the revolutionary capacity of the working class can be seen every time the SACP debates whether it will go it alone as a party – in other words break its political dependence on the petty bourgeois leadership of the ANC. Thus, no matter how “opposed” to corruption in the ANC the SACP is, no matter how “opposed” it is to neoliberalism in words, the SACP cannot conceive of life outside the leadership of the black middle class. And, after threatening a mass exodus from the cabinet if Zuma dismisses Minister Gordhan, the SACP capitulated when faced with life without the leadership of the black middle class – as it has done throughout its history of almost 100 years.

Leadership by the middle class, is, however, in concrete historical circumstances leadership by the big bourgeoisie. The middle class is not capable of leadership of society, and neither is it capable of leadership of key social struggles against the big bourgeoisie, against white monopoly capital. Wedged between the main or fundamental social classes of capitalist society – the bourgeoisie and the proletariat – the middle class is not capable of an economic or political programme of its own. Either it chooses the road of the working class, of socialism, or it subordinates itself to capital and chooses capitalism.

The leading groups in the SACP have become so deeply complicit and compromised by neoliberalism that they see no way out, they have come to believe that there is no other alternative to neoliberalism and society's leadership by the black middle class and by extension by white monopoly capital. Their militant defence of Pravin Gordhan must be seen in this light. The fact that this defence sails under the cover of a struggle against corruption should not fool or hoodwink social justice activists.

There **are** alternatives to struggling against corruption without prostrating the working class in front of neoliberalism. Indeed, the working class undertakes these struggles daily, and has been doing so for over two decades.

## **Part 2: The theoretical, strategic and political errors of Malikane**

In this part we look at how Malikane's weaknesses of theory leads him to serious strategic and political errors.

### **Malikane and his strategic and tactical positioning**

If we leave aside disputes about formulation of certain positions, a measure of carelessness in formulation here and there and an incomplete theorisation of the sources of the struggles between sections of the black business elite and white monopoly capital – if we leave aside all these issues – Malikane's strategic and tactical positioning has a number of sound elements, but these elements are undermined by serious theoretical and strategic errors in regards to three key issues: i. the leading role of the working class in the struggle against white monopoly capital; ii. the revolutionary potential of the petty-bourgeoisie and, iii. the role of the South African state in the process of revolutionary or even radical (economic) transformation. I look briefly at Malikane's theoretical and strategic positioning.

#### *i. The leading role of the working class*

Malikane is correct to argue, "without independent working class action at this stage, the masses of the African people will be left trailing behind the warring capitalist groupings". Further, his call for a direct struggle with white monopoly capital is correct. This, however, is not enough. It is not enough for Malikane to call for the working class to lead the struggle against white monopoly capital, and for the working class to lead the "extremely unreliable" (black 'tender-based') capitalist class in the struggle against monopoly capital. Against the background of the struggle currently underway today, and the concrete terms on which this struggle within fractions of the capitalist class is unfolding, it is striking that Malikane is silent on the corruption of the "black tender-based" section of the capitalist class. More importantly, he says nothing about the impact of this corruption on the working class, and how this corruption undermines the working class' capacity to organise and lead struggles against white monopoly capital. Indeed, he says nothing about how the constant battle for survival that the working

class is trapped in is in part due to the corruption of this fraction of capital. It is for this reason that Malikane has avoided any position on whether Zuma must fall. The fall of Zuma is a necessary condition of an alliance of anti-monopoly capitalist forces; it is a necessary condition of the struggle to win over the black middle class to the leadership of the proletariat and radical economic transformation.

A second major error in Malikane's theoretical and strategic positioning with respect to the working class is that he fails to understand the major changes that have taken place within the working class as a result of the dominance of white monopoly capital and its programme, neoliberalism. The black 'tender-based' section of the capitalist class has also been a bearer of this programme of white monopoly capital to the extent that the fracturing of the working class, its casualisation and the rise in its 'precariousness' has been facilitated by the 'tenderisation' or outsourcing of the functions of the state, in particular at a local level. We know, for example, that at the level of the local state a range of state functions have been outsourced to precisely this "tender-based" section of the capitalist class. In taking a position in support of the leadership of the struggle for 'radical economic transformation' by the working class, for the leadership of the petty-bourgeoisie by the working class, it was equally important for Malikane to spell out the terms on which such an alliance between the working class and the black petty-bourgeoisie will be constructed: such an alliance cannot be constructed on the basis of continuing corruption on the part of the black 'tender-based' capitalist fraction. Indeed, it cannot be constructed on the basis of the continuing "tenderisation" of the state (something that Cronin et al support). What Malikane should be calling for, instead, is the deepening democratisation of the delivery functions of the state, and through this popular participation in delivery – first at a local level, and progressively and through struggle, throughout the state – to begin a transition to a truly democratic society in both economy and politics.

Malikane's errors resides in his understanding of how the leading role of the working class plays out *concretely*, if flows from the abstract nature of his understanding, and can therefore be seen in the fact that in his list of 'forces' for the anti-monopoly capitalist front, it is indeed dominated by the black middle class in its various incarnations. After mentioning the working class and what one can regard as the student section of the working class (organised in Cosas, Pasma, etc) in this 'front', the rest of the forces (minus 'progressive international forces') are in fact incarnations of the middle class – he includes in this list "the middle class", "the (tender-based) capitalist class", "the progressive white population", all middle class forces.

And who does Malikane have in mind when he speaks of the working class? There is no analysis of the class fractions that make up the working class, an important condition for outlining any tactical positioning in building the leadership of the working class in the struggle against white monopoly capital.

Neoliberalism and its fracturing and transformation of the working class has brought the key role played by women in the processes of production, reproduction and of the class struggles of the working class against the big bourgeoisie. In all the social movements that have emerged post apartheid, in all the so-called social delivery struggles that are a constant feature of post-apartheid South Africa, women have emerged as key drivers of social struggles. This objective fact, this increasingly centrality of the women in the anti-capitalist struggle now underscores the essentially **feminist nature** of the current struggles against capitalism. Against this background, we can see how the misogyny of the current political representatives of the "tender-based" black capitalist class (Zuma and company) is a barrier to the alliance between the working class and the black petty-bourgeoisie. Hardly a day goes past when this

group's objectification of women, their treatment of women as sex objects, their violence against women, comes into the open. The leadership of the working class in the struggle against white monopoly capital – a capitalist class that is deeply anti-women and misogynous - has to foreground a feminist politics as a key platform of the anti-monopoly capitalist front.

Such a feminist perspective would flow from a treatment of the working class not as an abstraction, but as a concrete historical category – a class formed by its conditions of existence, and in turn transforming these conditions in real struggle. Malekane's failure to foreground feminist struggles, his failure to recognise, even in passing, the one issue (beyond wanting fees to fall) that was foregrounded by the #FeesMustFall movement speaks to the fundamental errors of his theoretical and strategic positioning.

*ii. The role of the black middle class, and black capitalist fractions*

Malekane's SACP-like positions (notwithstanding his ex-communication by Cronin et al) on the role of the black petty bourgeoisie (and this is my characterisation) in the current South African context opens him up to grave strategic and tactical errors, and may even lead him to capitulate in the face of the dominance of white monopoly capital and its superior fighting position. Malekane can see this, and as he says 'tender-based' capitalist class "has no coherent historical international backing", among many of its weaknesses. He sees that only the working class has the social location – power at the point of production – to do serious battle with white monopoly capital. He is correct to argue that without leadership by the working class the black petty bourgeoisie cannot win. Quite correctly, the role of the working class is to free not only itself, but all other oppressed strata like the black petty bourgeoisie and even the white working class.

Notwithstanding his argument for the leadership of the working class, by ensconcing himself in the Treasury, however, Malekane commits a cardinal strategic and tactical error. Not only does it position him in proximity to a deeply compromised petty bourgeoisie – compromised by corruption and its betrayal of the mass of the people for more than 20 years – it also creates an objective distance between him the mass of struggling working class people. Therefore, while talking left, Malekane in fact walks right, and he isolates himself from the working class. Of course, a theoretical and strategic positioning is not the sum-total of the actions of the individual who expounds them, but conversely, individuals that expound a theoretical and strategic position must be seen to be acting consistently with the position they expound. As Marx established, it is not who people think they are – in their heads – it is who they really are, that is in their practice, that tells us their true position. Malekane will find himself on the wrong side of the class struggle. The working class has to demand Zuma to fall not because it imagines that the fall of Zuma will resolve all its problems. The working class needs to demand the fall of Zuma to send a clear signal that its struggle against white monopoly capital can only be on condition that the black middle class understands that *advancing the interests of the people is incompatible with corruption*.

The petty-bourgeoisie as a class is a highly unstable class – both in its social composition and in its politics – and politically it swings wildly depending on the conditions of the class struggle, and depending on which of its sections is hegemonic within it. The varied social composition of this class therefore also needs to be analysed in any process of theoretical and strategic positioning. Malekane's propensity for treating classes as abstractions can again be seen in his treatment of the " (black) middle class" in his anti-monopoly capitalist front. Malekane groups together, uncritically, entirely different sections of the middle class. He fails to distinguish sections of the middle class that are the product of the modern hegemony of finance capital

(the leading fraction of monopoly capital since the early 1970s) - bankers, asset managers, from traditional sections of the middle class – such as traders, builders, transport operators, (small) industrialists, farmers etc. By collapsing all these strata under on bloc called “middle class”, he puts together the traditional middle class with precisely that section that lives off the misery of the traditional sections of the middle class – bankers, asset managers. He mixes doctors, nurses with bankers, and so on. This confusion (and the strategic errors that flow from it) is fatal for working class leadership of the petty-bourgeoisie. Including “asset managers” and “bankers” – who themselves are objectively enemies of the traditional petty-bourgeoisie, is to hand over the leadership of the petty-bourgeoisie to white monopoly capital via this transmission belt of bankers and asset managers.

Malikane’s theoretical errors regarding the role of the petty bourgeoisie can, under the current conditions of the class struggle, be corrected by the class struggle itself. The fact that he has ensconced himself in the Treasury makes this correction difficult, if not impossible.

### *iii. Malikane and the state*

Another key error in Malikane’s theoretical and strategic positioning relates to his understanding of the state. The state is treated, again, as an abstraction – as one bloc or thing over which white monopoly capital exercises “unfettered dominance”. For Malikane, white monopoly capital “owns and controls” the resources on which the state depends. There are many rather obvious errors in this conception of the state. In deed, under neoliberalism the big monopoly capitalists pressurise the state, and in many cases succeed, to help them avoid paying for the running of the state, and they offload this burden on the working class and the middle class. The proliferation of tax havens in the era of the dominance of finance capital is itself testimony to this fact. Notwithstanding these many errors, we however want to concern ourselves with those elements of this faulty understanding of the state that have a direct impact on the way Malikane positions himself strategically and tactically.

The first issue here is how the big bourgeoisie rules over society, and in particular, what role do institutions such as trade unions play in the exercise of bourgeois hegemony or rule. The established trade unions have been an important instrument in the maintenance of class peace, in the regulation of ‘peaceful’ relations between the capitalist class and the working class. In effect, peace between the working class and the capitalist class is established on the terms of the capitalist class – and in these instances institutions like trade unions (especially federations that are several steps removed from the ‘coal face’ of daily class struggles) become guarantors of class peace. This essentially was the role of Cosatu for a long time after 1994, and in particular in the run-up and during the Marikana massacre on the platinum belt. Ironically, the outbreak of the crisis of the hegemony of white monopoly capital – a crisis that can be dated from Marikana - is in no small measure due to the collapse of Cosatu, and in particular the collapse of the NUM’s ability to act as a guarantor of class peace.

The expulsion of Numsa from Cosatu, the current struggles taking place in Cosatu about Zuma, Cosatu’s support for Cyril Ramaphosa (a candidate of white monopoly capital), the vacillation of Cosatu in supporting Ramaphosa and also arguing in its statement on the 7 April marches that “[o]ur strategic enemy is still monopoly capital and white monopoly capital in particular. We stand in opposition to Neo-liberalism and its ideologues both inside and outside the movement. We refuse to be useful idiots of those who want to remove President Zuma in order to remove the ANC from power and protect their ill-gotten wealth and inherited privileges. We do not support the regime change agenda.”, all these are indices of the crisis of bourgeois hegemony over society. A period of the crisis of ruling class leadership of society has now opened up. The

critical issue is that Malikane's failure to understanding bourgeois class rule concretely leads him to adopt a shopping list approach to putting together an anti-monopoly capitalist front. By putting together, uncritically, a long list of formations for the front, Malikane may be providing a transmission bridge that may well re-establish bourgeois hegemony over society in general, and over the working class in particular.

Notwithstanding his theoretical errors and errors of strategic positioning, Malikane's instinct is however correct, namely that a new period of struggles that is shaking up established patterns of hegemony has opened up, and this period opens up new tactical possibilities. With the battles currently underway in Cosatu, it is now possible that a front with Numsa and Saftu is possible, and that such a front may begin to re-orientate the trade unions towards militant working class struggles that foreground a militant working class feminism and a radical socialist politics. Such a politics will restore to the centre of working class politics the new working class battalions of informalised, casualised, labour-brokered and precarious workers and women workers. The future of the working class struggle lies in all working class formations being able to resolve the organisational and political question raised by the emergence of these strata of the working class as a majority within the working class. Only this perspective allows us to treat the working class not as an abstraction, but as a concrete historical force capable of confronting white monopoly capital.

The second theoretical and strategic error committed by Malikane concerns the place and role of the state in the struggles and confrontations with white monopoly capital. The question of the role of the state, of whether it can be "seized" and turned to the service of the working class is an old one. This question includes important strategic and tactical questions of whether the working class or the left should act 'within the state' or from 'outside the state', or whether it should act both 'from within and from without'. The question is of course a large and important one, and we can only deal with it in its basic outlines.

The basic and fundamental error here is that large sections of the Marxist left have conflated and confused two very distinct movements: the seizure of power, on the one hand, and the seizure of the state or state power, on the other. *Seizure of power vs seizure of the state*.

So important was this question that Lenin defined it as the fundamental dividing line between revolutionary Marxism and all other forms of reformism. In Lenin's *State and Revolution*, he advances the basic argument that the working class cannot 'seize' the bourgeois state and put it to the service of the working class. According to Lenin, the working class must smash the state, and replace it with a state that is no longer a real state; a state, in other words, that has begun to dissolve into society. Of course, Lenin here was returning to Marx – after the detours inspired mainly by the dominant theoretical traditions of German Social Democracy of Karl Kautsky and others. Marx argued that the state is a product of society that 'frees' itself from society and in turn dominates society. Marx learnt from the Paris Commune of 1871, and in turn taught the socialist movement, that the state that had been in the service of exploiting classes for thousands of years, the state that has oppression, exploitation and repression in its very DNA, cannot be "seized" and put to the service of humanity – it had to be smashed and on its ruins new **associations of producers** have to be built. This is the state that is no longer the state, a state that immediately at the beginning of its construction begins to "wither away".

These profound theoretical, philosophical and historical categories of Marx are not just 'abstract' philosophising – they have begun to inform concrete organising of concrete struggles today in many parts of the world. See for example the struggles of indigenous people in Latin

America, who have begun to defy the “law of value” and now struggle against the opening of mines, opting for ecologically sustainable forms of production. See also left initiatives in cities such as Barcelona, the towns and cities of Greece destroyed by neoliberal austerity and now imagining new ways of living and producing. See the Rojava Women’s Councils in Syria and in other parts of Europe. All these and many other experiences and experiments of struggle against neoliberalism are beginning to ground our understanding of how ‘the state that is no longer a state’ is going to be built. The building of this ‘state that is no longer a state’ does not strive to ‘seize the state’, but to transcend the state as we know it.

Malikane and the SACP belong to a long tradition of worshiping the state as the defining aspiration and apex of working class struggle. This is a product of the long history of Stalinism, and this current’s long dependence on the state as a compass for its existence. With the collapse of so-called “actually existing socialism” in the Soviet Union and Eastern Europe, almost all Communist Parties raised this this tradition (i.e. Stalinism) went in search of the state, and many of them subordinated themselves to the bourgeois state, as has been the case in South Africa. For this reason, Cronin et al and the entire cabinet and parliamentary group of the SACP cannot conceive of life outside the state, and since the ANC provides for the SACP the only bridge into the state, they cannot conceive of life outside the ANC.

The consequences of Marx and Lenin’s view of the state is that it is incorrect to pose the question as being that of acting “from within” or “from without”, or “from within and from without”. The working class always acts from within civil society, from within that “ensemble of organisms commonly called ‘private’ where hegemony and spontaneous consent are organised” (Gramsci). By organising and contesting power in civil society, the working class asserts this space as truly public – and refuses to accept the uncontested domination of this space by the most public of public powers: capital. As many movements across the world are beginning to discover and to experiment, the contestation of these spaces in civil society is having profound implications for, and impact on, the bourgeois state and on our understanding of the state as such. It is challenging and transforming the very manner in which we understand that question of questions: the paths to democratic socialist power.

Does it therefore follow that the working class and its organisation have “nothing to do with the state”? Of course not! The business of the bourgeois state is nothing but the construction, the maintenance and management of that sphere of society “commonly called private”. It passes laws and creates institutions dealing with how the working class must be produced and reproduced (their health, education, recreation and so on); it deals with how the ‘private’ parties in the labour contracts must conduct themselves; it deals with how these ‘private’ parties may enter into contracts with each other; it deals with how families may conduct their lives; etc., etc. In other words, the primary business of ‘public’ institutions is to regulate the ‘private’ lives of the citizens – or put differently, it is to regulate and structure civil society.

The working class therefore has no choice but to engage the state, and to struggle against the state. The working class therefore watches and contests every action taken by the state; it not only resists the actions of the state but forces the state to adopt measures that *open spaces for the construction of associations of producers* (this new kind of state) within the womb of the old kind of state. The engagement and struggle against the state by working class formations is generally accepted by the left, even notwithstanding that its theorisation remains a serious weakness.

Large sections of the left, even those that do not suffer from worship of the state like the SACP,

also argue that the working class must struggle 'within' the state. By this is meant that the working class must send its parties and in other cases other formations of the working class, to participate in parliaments, local councils etc. This desire to participate in the state and its institutions is particularly strong in newly 'democratised' countries like South Africa. As Gramsci noted in the Prison Notebooks this desire to participate may be "necessary and indeed opportune" under certain conditions, but he goes on to say, "statolatry" must not be abandoned to itself, must not, especially, become theoretical fanaticism or be conceived of as 'perpetual'. It must be criticised, precisely in order to develop and *produce new forms of State life* (my emphasis), in which the initiative of individuals and groups will have a "State" ['a state that is no longer a state – OL] character, even if it is not due to the "government of the functionaries" (*make State life become "spontaneous"*) (my emphasis). To the extent, therefore, that the parties and other formations working class participate in bourgeois state institutions, they must be subjected to the same ruthless criticism and day-and-night watch that bourgeois parties are subjected to; organisational cultures and processes must be constructed that subject the personnel of these working class formations to constant rotation and where necessary recall (to ensure that as in the case of the SACP the functionaries of these formations do not become so used to cabinet seats and comfortable in their 'honourable chambers' that no scale of atrocity by a bourgeois government will make them leave). For a working class formation and cadre the true test of participation in bourgeois institutions is the preparedness and ability to leave them. This should flow directly from our understanding of the nature of the state: the bourgeois state cannot be "seized". It is fundamentally a hostile power over the working class. To the extent that we send working class formations into its belly, it is a sortie behind enemy lines, and we should not grow comfortable and justify our perpetual presence behind enemy lines.

Malikane's fundamental error was to treat the bourgeois state as if it can be seized, 'captured', "owned and controlled" by the working class. This error has led him to be captive to the bourgeoisie within its fortress – the Treasury. We may or may not agree with Malikane and other militants that support him (Andile Mxgitama represents an extreme variant of this error) but the class struggle has a way of settling the most difficult and abstract questions of theory in the most practical and simple way. Malikane has denied himself the corrective power of the class struggle by ensconcing himself inside the Treasury. The sooner he abandons this precarious if not hopeless position behind enemy lines and joins the work of organising the working class, the work of clarifying its perspectives – the better for him and the working class that he desires to stand with.

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