

# AN ALTERNATIVE VIEW OF

# GLOBALISATION, LOCAL GOVERNMENT AND DEMOCRACY



**ILRIG GLOBALISATION SERIES NO.7**

**AN ALTERNATIVE VIEW OF  
GLOBALISATION,  
LOCAL GOVERNMENT  
AND DEMOCRACY**

**ILRIG  
CAPE TOWN**



## AN ALTERNATIVE VIEW OF GLOBALISATION, LOCAL GOVERNMENT AND DEMOCRACY

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# INTRODUCTION

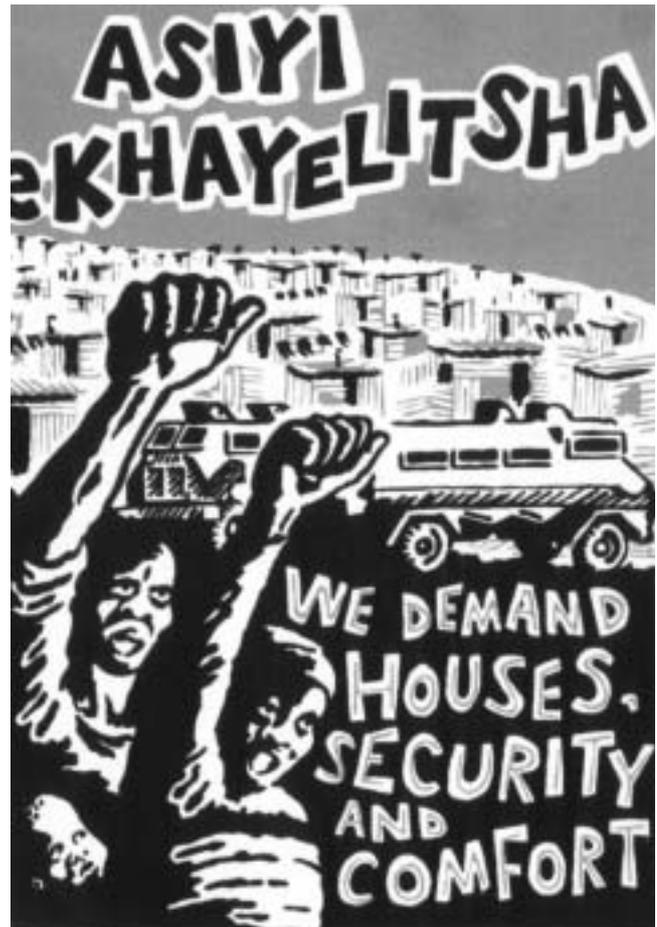
## Local communities erupt

In September 2005 township residents from Harismith in the Free State blockaded the N3 highway and demanded housing, water and an end to corruption amongst the local councillors. People were very angry. They refused to obey the police telling them that they were breaking the law. The protestors wanted to see the mayor, they wanted higher levels of government to help them, and they wanted their demands met. They saw no reason why they should suffer so much more than 10 years after the end of Apartheid, while the government officials responsible for service delivery were than enriching themselves. That was how the people saw things. When the police tried to disperse them with teargas and bullets they defended themselves with stones and intensified their protests by burning tyres.

Tyres were burning in many parts of the country during 2005. People were angry. They mobilised and protested. In Cape Town residents of Khayelitsha, Crossroads and Ocean View took to the streets. In Gauteng people from Diepsloot confronted the police in direct battles and demanded the resignation of the local councillor. They wanted the mayor to respect their demands. In Durban people in the Kennedy Road squatter settlement marched down the road and demanded that the councillor resign. They later initiated what was to become an organised protest movement. Everywhere the demands were for decent housing, social services and clean, accountable government.

Elsewhere local government workers went on a national wage strike. They were very determined to confront their employers and force them to concede better wages and working conditions. Through their unions the workers also raised demands around broader issues of service delivery and governance. They felt the way services were delivered and municipalities governed was not in the interests of the poor majority.

In Cape Town COSATU unions organised a united front against the city council's plans to install pre-paid water meters in communities. The front included the Cape Town Anti-Privatisation Forum (APF), the Environmental Justice Networking Forum



(EJNF), some regions of the South African Communist Party (SACP) and some local structures of the South African National Civic Organisation (SANCO). Protest meetings and marches were organised. In the end the city council decided to abandon its plans.

Towards the end of 2005 the South African Minister of Safety and Security was telling parliament that there had been dozens such instances every month. A common denominator amongst all these protests was that the immediate focus of community anger was the local authority, the local councillor, i.e. the local state. Everywhere - in the media and political party circles – it was noted that the source of the people's frustrations was the lack of delivery of basic services.

## **The responses of the elite**

These protests became very prominent in the media. Government, parliamentary opposition parties and academic experts responded, each offering their interpretation for the poor state of service delivery at the local state level.

National government denied that anything was wrong with the political system. They felt South Africa had the best possible political system and that they were doing as well as anybody could reasonably expect of them. The people just had to be patient. National and provincial governments were working without serious problems. Delivery was taking place. Yes, there were some problems in many local governments because a few councillors and officials were corrupt and because most of them lacked the necessary skills. But people should work with government on this. Strikes, protests and disruptions are not the way to go. There are enough opportunities for public participation in government through which people could raise their legitimate grievances in a constructive manner.

Some government ministers tried to make the protests seem badly-intentioned, illegitimate and even criminal. Local councillors were in the forefront of these attacks against the protestors. They summoned police officers to unleash their teargas, batons and shotguns. Leading protestors were denounced as power hungry and 'ultra-left'. Others were arrested, and jailed. And the National Intelligence Agency (NIA) started 'investigations' to see whether a third force was behind the community protests.

Parliamentary opposition parties, academics and many middle class letter-writers to the newspapers, while agreeing with the existence of corruption, also went on to blame the problem of the local state on a lack of expertise. Sounding a lot like old-apartheid-style racists they said that the problem lay with the lack of skills at the local state level caused by over-hasty affirmative action programmes and the exodus of some white civil servants from their jobs.

## **About this booklet**

These protests have raised many questions about:

- The restructuring of the local state over the last 10 years, and
- The nature of our democracy

The restructuring of local government took place to fulfil the requirements of the Constitution, to ensure that the apartheid local government structures were transformed, and to ensure that there is equity between the past white minority and the black majority. In many instances, before 1994 poor South Africans did not

even fall within a sphere of local government or had no access to basic services such as electricity, waste removal or potable water. National laws, including the Municipal Demarcation Act, the Municipal Structures Act and the Municipal Systems Act, were passed to restructure local government and the financing of local government was the subject of laws such as the Municipal Finance Management Act and the Property Rates Act.

But this restructuring also took place in the period in which South Africa was reintegrated into the world at the end of Apartheid. And since the 1980s the world had changed quite significantly as a result of globalisation. So the local government institutions we have today are not only the result of restructuring required by the Constitution, they are also shaped by the way globalisation has changed the local state and installed ideas about service delivery, about the relations between the state and capitalism and about democracy everywhere, including South Africa.

The local state is claimed as the site of government closest to people and often is the one in which ordinary people have the most immediate experience of the nature and quality of democracy.

We therefore examine the impact of globalisation on the local state and the quality of democracy at the local level.

## What is the structure of this booklet?

The booklet has four sections.

- **Section One** is about the local state and public participation'. It looks at what the local state is in South Africa today and how it functions. The section discusses whether the local state offers people opportunities to practice democracy and draws on interviews conducted with activists about their experiences of the various forms of public participation.
- **Section Two** is about 'globalisation and the local state'. It looks at what globalisation is and how the local state has changed in this period and why. It discusses whether what is happening in the local state in South Africa fits in with other experiences of globalisation.
- **Section Three** is about 'globalisation and democracy' It looks at different definitions of democracy and how globalisation and democracy relate to each other.
- **Section Four** is about 'participatory democracy'. It looks at different forms of democracy. It discusses efforts of those who have been experimenting with new forms of participatory democracy in countries like Brazil and Venezuela.

## How to use the booklet

### Difficult terms

In order to understand globalisation, the state and other concepts used you will need to be familiar with a number of technical terms. These terms may be new to some readers. The terms will be marked with a . Definitions will be provided in the margins.

**The critic:** The booklet has occasional comments by our critic. She will make some observations and pose some questions for you to think about. She will be represented by the sign:





## SECTION 1

# THE LOCAL STATE AND PUBLIC PARTICIPATION



*“Above all the people affected must participate in decision-making. Democracy is not confined to periodic elections, but is an active process enabling everyone to contribute to reconstruction and development.”*

**Reconstruction and Development Programme, 1994**

### What is the local state?

The local state is the organisation with the power to govern a municipality. It consists of a law-making branch that is the elected municipal council – sometimes referred to as the local government. But it also includes all municipal institutions and employees such as the municipal councillors, libraries and managers.

The local state is separate but also part of a larger set of a larger set of institutions – the national state, or sometimes just referred to as the state.

### What is the state?

The state is the most powerful organisation in society. Often people talk about the state and the government as if they are one and the same thing. But the state is a much larger set of institutions of which the government is only one. The state is made up of a network of different institutions that serve a common purpose and answer to a common authority.

It exercises power over all individuals and institutions. It backs this power with armed force. The state organises groups of armed men and women for this purpose. Its task is to keep society functioning.

The state is made up of parliament, provincial legislatures, municipal councils, courts, the police, the defence force, state officials and employees. These can be grouped into three centres – the legislature (law-making), the executive (state officials, the police, the army etc) and the judiciary (the courts). In South Africa these three centres – the President, the National Parliament and the constitutional court, have separate lines of authority but share the power of the state. This is known as the separation of powers.

The President has the power to command the employees of the executive branches of the state. These include the armed forces and the state departments such as the departments of education, health, finance, etc. The law says that all of these people must obey the orders of the president as long as those orders do not break any laws.

National parliament has the power to make laws that are binding on everybody, including on the President and other officials. Provincial legislatures and municipal councils can make laws and by-laws, but these must not clash with national laws. National parliament cannot make laws that clash with the constitution. Only a two-thirds majority of national parliament can change the constitution.

The constitutional court has the ultimate power to judge whether any law is in line with the constitution. Should it find that parliament made laws and the President issued commands that clash with the constitution, such laws and commands become null and void and no one has to obey them. Laws and commands that are in line with the constitution must be obeyed. If they are not, the constitutional and other courts can impose penalties. They have the power to order the executive branch of the state to lock people up who disobey the constitution or any of the laws that it supports.

The constitution is the basic law of our society. It was based on a set of constitutional principles set up in advance by the negotiating teams of the old Apartheid government and the liberation forces and then negotiated at the World Trade Centre by these organisations. It prescribes that South Africa shall be a capitalist democracy and it commits all the branches of the state to using its powers to enforce this.



## How does the local state differ from the national state?

*"Local government is a sphere of government in its own right, and not a function of national or provincial government."*

**SA Government, The white paper on Local Government**

What does this mean?

It means the President does not directly command the officials and employees of the local state. National parliament does not make by-laws for the municipalities. Each municipality has its own executive apparatus and its own elected legislative council. The executive mayor or the executive committee has the power to command the employees of the municipality. The municipal council has the power to make by-laws binding on everyone within the municipality, as well as to approve budgets, raise loans and impose rates, taxes, levies and duties.

Most municipalities depend on the South African Police Services (SAPS) when they want to have people dispersed, locked up or otherwise violated. They are allowed to organise their own police force as the local government of Cape Town has done. However, all municipalities, despite not being 'a function of provincial or national government', depend on national government in crucial ways. National government decides which functions municipalities will control. And national government also makes the decisions about where the municipalities may draw their resources from. In the relationship between the two it is national government that has the power to mandate local governments and not the other way around.

This means the local state is in some ways the municipal branch of the nation-state. In terms of South African law however there are areas which are deemed to be uniquely the function of the local state. So in other ways it is a separate, somewhat autonomous state, exercising power over a municipality. It has an executive branch commanded by the executive mayor or the executive committee and made up of the officials and employees of the municipalities. When the Democratic Alliance (DA) governed the municipality of Cape Town they preferred that an executive committee command the executive. Under the ANC governed local state an executive mayor, Nomaindia Mfeketo, commanded the executive. The mayor, her mayoral committee (Mayco), and all the institutions and employees of the city of Cape Town, except the elected city council, make up the executive of Cape Town municipality. They govern the city day to day. And the mayor governs them all.

The elected city council makes up the legislative branch of the local state. They have the power to make by-laws binding on everyone in the municipality, including on the executive. The councillors also oversee the executive by approving municipal budgets, controlling rates and taxes, approving loans, etc. When people disobey the council it can impose penalties, which are enforced by the police, courts and prisons of the national state.

This council decides the aims and broad methods of municipal governance. It also has an executive branch that consists of all municipal institutions other than the council. The executive mayor or the executive committee commands the executive that governs the municipality in line with the decisions of the council.

## **How has the local state been restructured for public participation?**

Every 4 to 5 years the registered voters in a municipality have the power to elect the municipal council. To register as a voter you have to be a South African citizen in possession of a valid identity document, at least 18 years old, with a residential address inside that municipality. To be able to stand for election you have to be a registered voter and register as a candidate with the Independent Electoral Commission (IEC). The IEC requires 50 signatures that support your candidature and the payment of a registration fee of R500 for independent candidates in the Local Government elections.

The municipality consists of wards, which are areas into which a municipality is divided for purposes of the election. The candidate who gets the most votes in a particular ward becomes the councillor for that ward until the next election. 60 % of municipal councillors get elected in this way.

The other 40% get elected through the proportional representation (PR) method. This is an electoral system in which Council seats are allocated on a proportional basis from party lists. For example, if a party wins 60% of the votes, it receives 60% of the seats.

The ward and PR councillors together make up the Municipal Council. The Council decides whether it will give executive power to an executive mayor or an executive committee (Exco). Council then elects either an executive mayor or an Exco to become the head of the local state, which has the power to appoint

or dismiss all the other municipal officials. The head of the local state delegates this and other powers as necessary. In the case of an Exco it elects a ceremonial mayor that it can also dismiss and that does not have commanding powers. The executive mayor appoints a Mayco that she can command and dismiss. All municipal officials below the head of the local state are appointed, dismissed and commanded by individual officials above them. All of these commanders, except the Mayco or Exco, are appointed, not elected.

## Different arrangements for public participation and activists' experiences of them

*"A thorough-going democratisation of South Africa is central to a coherent programme of reconstruction and development. Above all, the people affected must participate in decision-making. Democracy is not confined to periodic elections but is an active process enabling everyone to contribute to reconstruction and development. ...emerging local authorities must work with community-based organisations and NGOs to establish minimum conditions of good governance..."*

**The white paper on Reconstruction and Development, 1994**

*"A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance..."*

**The Municipal Systems Act, 2000**



The idea behind public participation is that people should take part in making decisions that affect them. It seems that government fully supports this idea. It runs through its laws, policies and statements. Decisions taken for the people, without their knowledge and consent, will be unfair and unsupported. Everybody seems to agree on this.

The state gives local governments a big role in ensuring that public participation takes place. The constitution says the very first object of local government is:

“to provide democratic and accountable government for local communities”. Therefore the local state uses various methods to make sure public participation take place. These include:

- Ward meetings
- Public meetings
- Calling for written and spoken submissions from the public
- Reconstruction and Development Programme (RDP) forums
- Integrated development plans (IDPs)
- Ward committees

These processes claim to give people who are not in government the power to take part in governance. Some of them are prescribed by the law. Others are left up to municipalities to implement or not. All are meant to ‘complement’ representative democracy with consultation and participation. All of them distribute political power among people in a very specific way.

### Ward meetings

Ward councillors are expected to hold regular meetings in their wards where they can exchange information with residents. Councillors can use these meetings to inform residents of the activities of the council, and they can hear the views of residents and take them back to council or to the executive. The power to convene these meetings is in the hands of the councillor. The opinions and decisions of the people at these meetings are not binding on the councillor. And councillors are not penalised if they do not organise these meetings or carry out their mandates.

#### Voices of the people

*“Ward meetings? What’s that? We only see our councillor at election times.”*

*“The councillor has his favourites that he brings to meetings. On critical issues he only lets them speak. In this way ward meetings are manipulated so that it looks everybody always agrees with the councillor.”*

*“The councillor sidelines and ignores people who are critical in these meetings”*

**Community activists from Gugulethu, Delft and Crossroads in Cape Town**

### Public meetings

From time to time the municipal council or the mayor organises public meetings for people to bring their views, problems and criticisms to the attention of the local government. In Cape Town mayor Nomandla Mfeketo conducted a ‘mayoral listening campaign’. It consisted of a series of such public meetings. People could ask questions, share experiences and raise criticisms.

The council published leaflets and took out advertisements in newspapers and on the radio to inform residents well in advance of these meetings. They also arranged free transport to and from some of the meetings to make it easier for people to attend. The mayor also tried to make sure that the meetings happened in various parts of the city so people in all areas had a fair chance to attend them.

At the meetings people asked questions and put forward views, proposals and criticisms. The mayor answered some questions and undertook to take the views, proposals and criticisms into account as she governed the city. However, none of the views expressed were binding on her. The decision-making power remained with her. And this was true of the whole process around these meetings.

It was up to the mayor to decide whether and how the meetings took place. She had the power to decide about venues, transport, advertising, meeting procedures and the status of the views expressed. And she did not have to face penalties if she decided not to have the meetings, or allowed only her supporters to speak, or ignored the input of those who disagreed with her.



### Voices of the people

*"We confronted the mayor at a public meeting and made it clear we are against pre-paid water meters. She listened but did she hear? Council only listened to us after we marched, toi-toied, mobilised and threatened to do it even more. I wonder if they only listened to us because of the elections."*

*"We don't go to these meetings anymore. We went in the beginning but found out it's a waste of time. Nothing changes it's just talk."*

*"The local councillor knows we are critical of council. He points us out to the chairperson and then we never get a chance to speak. They sideline us you know"*

**Community activists from Bonteheuwel, KTC and Crossroads**

### Written and spoken submissions

Often when the mayor or the council has to make an important decision they embark on a process of consultations where they call for written or spoken submissions to the council. Council notifies the public through leaflets, media advertisements and notices displayed in council-owned buildings such as clinics and libraries. These notices will say what the issue is, how the public can submit their views, and what the cut-off date for such submissions is.

Usually council officials or a sub-committee of council will receive written submissions and communicate them to the rest of council. Council will also set up a public hearing on the issue. Members of the public will arrange beforehand to address this meeting usually attended by a council sub-committee, members of the Mayco or Exco, and officials. In this way the public can attempt to influence important council decisions.

The Municipal Systems Act requires that local governments set up such 'participatory governance' processes around important issues. Council must then try to take into account the views submitted by the public. But the decision-making power remains with the council. An example of such a process was the decision of the City of Cape Town to restructure the distribution of electricity.

### Voices of the people

*“Both the APF and SAMWU made submissions where we rejected the RED. We said it was a new venture that will commercialise services further. We don’t want it. Council promised to come back to us and respond to our submissions. They never did. They just ignored our submissions. Consultation is a joke.”*

*They (the council) timed this thing to suit them. They called for submissions late in December when everyone was on holiday. The closing date was in January. Most people were not even aware of what was going. Our union nearly failed to make a submission. I don’t think council was serious about consultation about this thing.”*

**Members of the Cape Town APF and SAMWU**

### RDP Forums

Before the ANC came to power they spelt out in the Reconstruction and Development Programme (RDP) how they planned to govern. They promised a “thorough-going democratisation of South Africa”.

The RDP foresaw a special and crucial role for local government in this process. This was supposed to take place through RDP forums.



These forums brought together representatives from local government, political parties, civic organisations, local businesses, churches, sports bodies and other groups in a neighbourhood. Together these groups were then supposed to come up with plans to meet the objectives of the RDP in their area. RDP forums claimed to give residents the chance to collectively develop poverty-relieving projects where they stayed.

However, RDP forums were consultative bodies. They did not have the power to decide for the businesses and municipalities that controlled the resources in neighbourhoods. They could make recommendations and only hope that it would be accepted. They had even less influence over provincial and national government departments. And none over the big corporations that, alongside the state, own most of society’s resources.

Some RDP forums met more often and functioned better than others. None of them had political and economic power. And therefore they could not do very much. They certainly were not able to stop government when it closed down the RDP ministry, abandoned much of the social upliftment visions of the RDP, and adopted policies such as the Growth, Employment and Redistributions (GEAR) strategy.

### Voices of the people

*"In the beginning everyone wanted to be on the RDP forum. But as time went by people were less interested. Nowadays there is no real RDP forum. There are some people who claim they are the RDP forum, but they never have meetings and they do nothing. I don't know why this happened. People just became tired I think because nothing happened in the forum except lots of in-fights for positions. But no real changes happened. I think that's why people went away and the forum went down."*

*"The problem in the RDP forum was it had no political independence from government. It could not challenge the policies of the government. So when government came with neo-liberalism it just had to go along. That's why it couldn't do anything for the people. We need organisations that are not afraid to fight neo-liberalism if we want to change things."*

**Community activists from Valhalla Park and KTC**

### Integrated development plans (IDPs)

The law requires that each municipal council adopt an IDP that outlines the council's vision and strategies for its 5-year term of office. According to the law the council must consult the "local community" on its "development needs and priorities" and "the local community must participate in the drafting of the integrated plan."

Councils use different methods, such as public meetings and written and spoken submissions, to get the views of the local public. They then draw up a draft IDP and invite the public to comment. Only after this second round of public comments do they draft their final IDP.

The councillors at all times retain the power to decide whether to accept or reject public comments. They control the process, resources and timing of these public submissions. Often they outsource these functions to un-elected consultants.

The council submit its final IDP to the Member of the Provincial Government's Executive Council (MEC) for local government. The MEC for local government checks the IDP to make sure it is in line with the policies of national and provincial government. He or she has the power to change the IDP to make it conform to national policy. Only when the MEC has approved the IDP does it become the official guiding document of the council.

### Voices of the people

*"You know poor people don't have the time and money to go to all these meetings and make inputs. Have you thought about that?"*

*"Look at this plan of the council. There is no plan to house all the people of the city. This is a plan for homelessness."*

*"What is the use of making input if the basic policies have already been decided? Maybe you can go to these meetings to make contacts with other struggling communities, but that is all."*

**Community activists from Mandela Park, KTC and a member of the Cape Town APF**

## Ward committees

*“The object of a ward committee is to enhance participatory democracy in local government.”*

### **SA Government, white paper on Local Government**

The ward committee consists of a maximum of 11 people. One of them is the elected municipal councillor for that ward. The ward councillor is the chairperson of the ward committee. The other 10 members are elected from the residents of the ward for a period of one year. These elections usually take place on a sector basis. For example the organisations in the ward are divided into health, civic, faith-based, women, sport and other sectors, which each elect a representative.

The task of the ward committee is to advise the ward councillor. They will say what they think should be done in the ward. They will also ask the councillor to raise certain issues either in the council or with the executive. And they can also advise the councillor how to vote on issues within the council. However, they do not have the power to force the councillor to accept their views. The decision-making power remains with the councillor.

Another task of the ward committee is to help the councillor communicate with the residents of the ward. They will help with organising ward meetings and distributing council notices and leaflets. The council is supposed to support the work of the ward committees with training, venues and other resources. However, there are no penalties stipulated should council or the councillor fail to do so.

### **Voices of the people**

*“These ward committees can be a good thing if there is a good councillor. But if there is a bad councillor like our couch-potato councillor it won't help, because all the power is still in the hands of the councillor.”*

*“We were not consulted about this (ward committee). Most young people don't even know about it. The youth are excluded from these things here.”*

*“If you are critical of the councillor he sidelines you. He doesn't take your points to the council and he does not inform you of the next meeting (of the ward committee).”*

**Community activists from Gugulethu, Site C and Delft**

### **About the Constitution**

South Africa's local state system was born out of a compromise between Apartheid and the liberation struggles. This compromise consisted of an agreement to extend citizenship to black people on the condition that the major black liberation movements co-operated in the neo-liberal project. The first fully elected councils inherited the employees of the Apartheid local state. They were also bound by agreements protecting the positions of these officials. As a result in many municipalities the top officials were drawn from the Apartheid local state. Even in cases where this was not so it often meant there was a continuation of the old behaviour and relationships between officials and the public. Municipalities who wanted to force hostile policies onto the majority of the people of course found this useful.



## SECTION 2 GLOBALISATION AND THE LOCAL STATE

### What is globalisation?

People define globalisation in different ways.

Many government leaders, academics and businesspeople define globalisation as the move towards a borderless world in which goods and services move freely. As such, they claim that globalisation is not only a good thing, it is inevitable.

#### ILRIG's view on Globalisation

*"Globalisation is a process of restructuring the world economy. This restructuring is a response to the crisis in the capitalist economic system which began in the early 1970s. The main purpose of this restructuring is to find new ways for business to maximise profits."*

**ILRIG, 1998**

For a long period after the Second World War capitalism operated in a form known as **Keynesianism**. In this period of capitalism profits were made within the combination of a welfare state, regulated capital and labour markets and fixed exchange rates. Within these arrangements workers in many countries successfully struggled for full employment, strong trade unions and extensive public services. Globalisation and its ideology – neo-liberalism – overthrew these arrangements in the late 1970s and early 1980s.

In the early 1970s it had become clear that global capitalism was facing a deepening economic crisis. Widespread, recurring overproduction and over-accumulation meant the major capitalist firms found it increasingly difficult to make profits. This meant these firms had produced more products than they could sell, and they had huge amounts of capital that they could not invest at a profit. In general globalisation was the response of the world's leading capitalist governments and corporations to this crisis of profitability.

Globalisation is an intensification of capitalist exploitation and imperialist domination. It seeks to remove some of the protections against exploitation that people have won through centuries of struggle. These include minimum wages, basic conditions of



#### WORD DEFINITION

##### Keynesianism

In this period of capitalism profits were made within the combination of a welfare state, regulated capital and labour markets and fixed exchange rates. Within these arrangements workers in many countries successfully struggled for full employment, strong trade unions and extensive public services.



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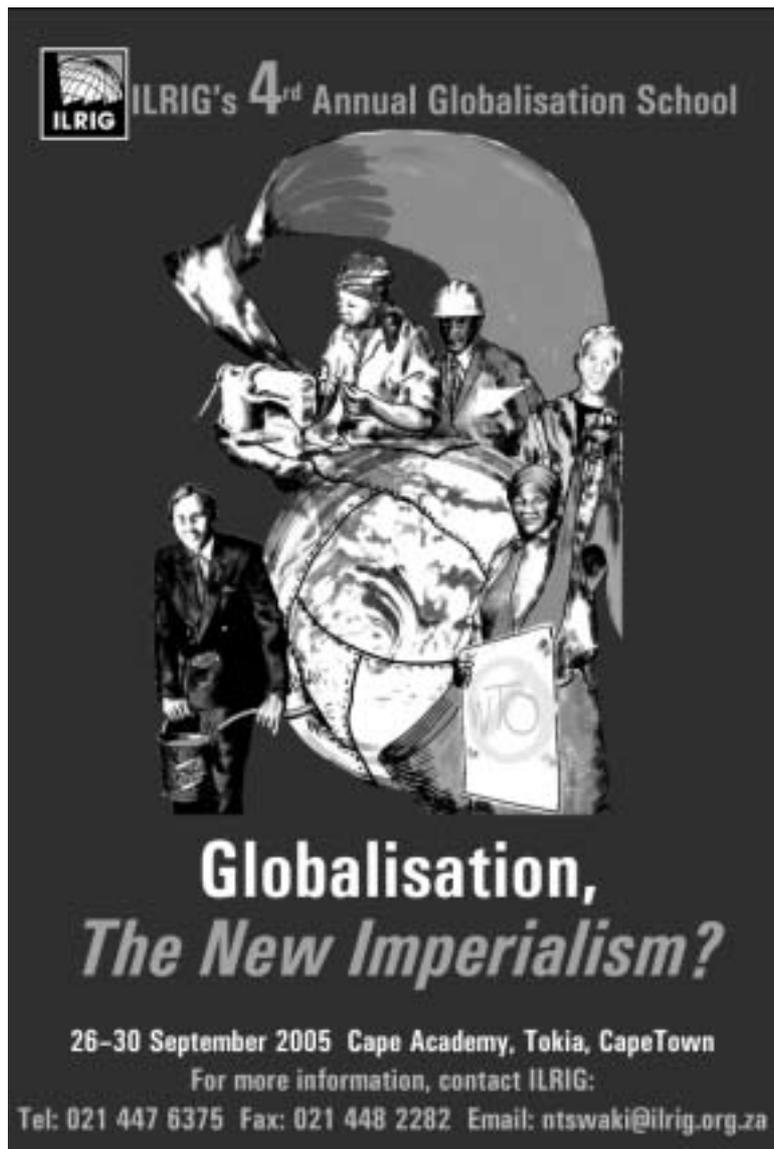
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The poster features a central image of a globe surrounded by several people. One person is holding a flag, another is holding a document, and another is holding a sign with the WTO logo. The background is dark, and the text is in white and yellow.

employment and security against arbitrary job losses. It also includes welfare benefits for the poor and the unemployed. Globalisation furiously takes social resources away from such purposes and redirects these towards profits for the mega-rich corporations.

Globalisation brings more countries under the domination of the US state and its imperialist allies. It also systematically reduces the decision-making power of other nation-states under its power. Through institutions such as the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation (WTO) the US state prescribes crucial policies for almost all countries. Nation-states that try to defy these institutions find themselves the target of US economic, political and even military might. They face blockades, sanctions, bombings and invasion. Very few countries exercise meaningful sovereignty in the face of the power of the US state and its allies.

Globalisation enhances the dictatorship of capital, freeing it from previously imposed controls by nation-states. Exchange controls and currency regulations fall away. Speculators can move and remove capital in pursuit of profits even if it destroys economies and causes suffering. In country after country millions of people have lost jobs and become poorer because of the activities of speculators, stock brokers and currency traders.

Globalisation uses new technologies and work restructuring to undermine the wages, working conditions and resistance of the working class. Information and communication technology is used to enhance managerial control over workers. Work sites are shifted to areas where people work for lower wages, worse conditions and are less organised. Special areas, like export processing zones, are created where minimum wages, basic conditions of employment and trade union rights do not apply. Workers are outsourced to employers paying far lower wages and providing no benefits and job security.

Globalisation uses policies such as privatisation, deregulation and outsourcing to bring more aspects of life under capitalist profit-making. An example of this is education. Globalisation has seen a massive shift from state to private crèches, schools and universities. In addition state-owned institutions have been commercialised - they have been restructured to operate like businesses. They have increasingly sold education as a commodity. All of this has meant that people can only become educated if someone else can make a profit from it. The same could be said of healthcare, childcare, refuse removal and a host of social services.

In all of these aspects of globalisation the nation state plays a key role in ensuring that capital can move freely, that the workplace is re-structured and that privatisation can happen. But within the nation state a shift has happened. Globalisation began to change the way the national state and the local state related to each other and how they related to private capitalists and citizens.

### **What is capitalism?**

Capitalism is a society whose human members are dominated by capital. Capital is money used to make more money. Capital buys goods or services and human beings' work abilities, puts workers to work and then sells the goods and services made by workers for more than it had cost to buy the original commodities. By selling at a profit capital increases itself.

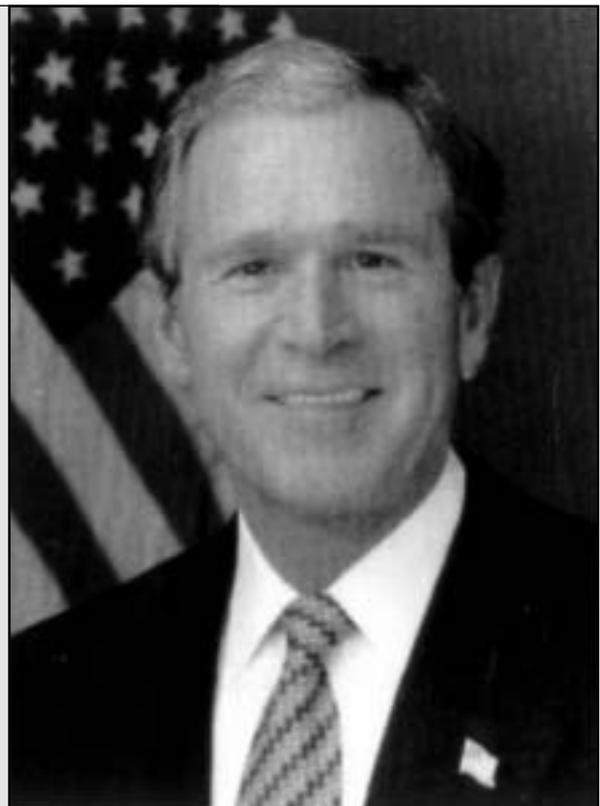
Because of the competition between different capitalists, capitalists have to be greedy just to survive. If it is not, another capitalist will out-compete and destroy it. Profit is everything to capital. And it will do anything for bigger profits. The welfare of humans is nothing - unless it can make a profit out of promoting it.

### **What is imperialism?**

Imperialism is when the people of one state overpowers and dominates the people of another territory. For example the rulers of Rome conquered the peoples of the entire area around the Mediterranean Sea. Whoever ruled Rome ruled all the people in the territories that the Roman Empire had conquered.

Capitalist imperialism is a special case of imperialism. It is when one state dominates another with the main purpose of creating more opportunities for capital to make a profit. An example is the British Empire where Britain conquered countries such as Ireland, India, South Africa and North America in order to grab labour, raw materials and markets.

Today capitalist imperialism rules almost the entire globe. The vast majority of states are caught up in relations of domination and submission with other states. The United States occupation of Iraq is perhaps the most visible example. But few, if any, nation-states today exercise meaningful sovereignty in the face of US power.



## **Globalisation and local government**

The importance of the local state has increased under globalisation. Local authorities play an important function in helping neo-liberal states achieve their objectives.

Neo-liberalism, which is the ideology behind globalisation, includes a number of prescriptions for local governments. As a result many local states have been



WORD DEFINITION

**national budgets of countries**

Under globalisation all countries are judged by potential speculators on the basis of how much money they can make by buying shares in a country's stock market. Two important sources of profit for these money-makers to invest in are government bonds and currencies. Governments which have big budget deficits are regarded as risky for getting safe returns on bonds or currencies. So all states under globalisation try and ensure that they have very low budget deficits. South Africa for instance is very proud that its budget deficit is under 3%.

restructured by their national governments to put into effect the following prescriptions:

- The Local State government should function as independently of national government as possible.
- Local governments should compete with one another to make their areas attractive for capitalist investment.
- The Local State should facilitate service delivery by capitalist firms and regulate services rather than deliver services directly.

**The Local State must function more independently from national government**

Like most neo-liberal prescriptions this was intended to further the capitalist attack on the national welfare state. This state embodied the concessions, protections and reforms that, for instance, the European working class won through their revolutionary uprisings against capitalist society in the first half of the 20th century. Neo-liberalism claimed that too much of the national fiscus was spent of the welfare of working class and poor people. For neo-liberals it became an article of faith to find ways of directing public resources away from welfare towards profits.

Therefore 'autonomy' and 'independence' in this context meant local governments had far less claim on the resources of national governments at the same time as they were saddled with increased responsibilities.

Another important reason for the requirement that the local state should be more independent is to do with the **national budgets of countries** . Under globalisation all countries are judged by potential speculators on the basis of how much money they can make by buying shares in a country's stock market. Two important sources of profit for these money-makers to invest in are government bonds and currencies. Governments which have big budget deficits are regarded as risky for getting safe returns on bonds or currencies. So all states under globalisation try and ensure that they have very low budget deficits. South Africa for instance is very proud that its budget deficit is under 3%.



How do many capitalist states achieve such low national budget deficits? By shifting the responsibility for many payments to local governments. These accounts therefore do not appear on the books of the national state and so the budget deficit is low. By shifting the financial burden for delivery to local governments national governments' budgets are kept in order thus satisfying the finance markets which look for small budget deficits at the national level.

**Local States must compete with one another to attract capitalist investment**

This devolution of responsibility forces local governments to compete against one another as independent bodies to make themselves "world class" to raise money and investment.

Local states must ensure that their municipalities are more investor friendly, that they provide more opportunities for business and



that they remove restrictions on capitalists' ability to make profits. It has therefore been notable under globalisation how local authorities have privatised services and granted concessions for key public services like water to Transnational Companies. Examples have been that of British Biwater and the French TNC Suez Lyonnaise making huge profits from getting multi-year concessions from local authorities to delivery water.

And if one local state is a bit too finicky about the conditions for public service that it wants to impose on a TNC then another local state, even in the same country, will, as its competitor, be only too willing to concede.

### **The Local State and service delivery**

Under globalisation local states stop being providers of public services in the sense that they both own and deliver the services. Instead local governments hand over services to private companies and set themselves up as "service authorities" who only supervise delivery of services as opposed to providing the services themselves. This means that local state can sub-contract or outsource services such as water, waste collection and electricity.

This so-called 'facilitation of service delivery' has meant a massive attack on wages and working conditions through privatisation and outsourcing. It also meant people had to pay for services that were previously free, or at least pay more for services that were previously much cheaper. And 'attracting investment' meant driving down wages, making it easier for employers to dismiss workers, helping capitalist firms to make profits out of municipal services and spending money on infrastructure that supported businesses rather than on the welfare of the people. The result has been a painful loss of many services to poor people and an increase in the cost of living for all.

By withdrawing from the provision of services the state fulfils a number of responsibilities under neo-liberalism – it opens spaces for privatisation, it reduces the budget deficit, it promotes the private sector ideologically as the best practice

for services. In important ways this also changes the relation of the people to the government. Because the state now charges for all services people do not relate to governments as citizens but as “clients”.

## Globalisation and South Africa's Local Government restructuring

The implementation of the neo-liberal approach to the Local State in South Africa, where there had been no welfare state for black people in the first place, was always going to lead to a disaster.

Central government has drastically reduced transfers to local government. Although these cuts began under the Apartheid government of the Nationalist Party, transfer squeezes escalated after the ANC came to power at national level resulting in an 85% decrease in inter-government transfers to local government since 1991. As a result some 90% of all local government revenues have to be generated locally.

The end of Apartheid and the restructuring of local government after 1994 have meant that the number of people to be serviced has increased. So there is a squeeze effect. On the one hand there is a shrinking of the transfers from the national kitty and on the other the restructuring of local government has led to greater responsibility for service provision.

And so local governments have had to be stringent in ensuring that communities pay for services, otherwise they do not earn revenue. As a result cost recovery has become the obsession of local authorities and people get cut off from services if they do not pay.

## The neo-liberal local state and its effects on local democracy

The idea that local authorities should operate more freely from national governments is a very old idea and one that in many countries people struggled for so that

local authorities could be closer to the people. These were part of struggles for greater democratic control over public officials and as such this trend within globalisation seems like a positive one for the working class.

But from our interviews with activists in the previous chapter we learn that there is a growing disaffection. Activists had all the hopes for greater public involvement in local municipalities and yet when they actually exercised their right to be consulted their views are largely ignored.



Local government creates a number of opportunities for public participation in governance using different methods. Some of these methods are prescribed by law, others not. Some are applied with greater care and consistency than others.

All of them share two fundamental features.

- Local government controls how they are implemented. And
- They leave the power to decide in the hands of the local government, not the participating public.

The first feature leaves the process open to manipulation. Local government can control when public participation happens, who takes part and therefore what is said. The second feature allows local government to simply ignore the views expressed during public participation. The eventual decision is made as if public participation never happened.

These two features have frustrated working class activists in Cape Town. They have tended to go into public participation processes with expectations - of what the process should lead to - that are clearly in conflict with legislation and state policy.

The word 'participation' has come to have a very narrow meaning. Legislation and state policy take this to mean the same as consultation, where control over the process and decision-making power remain in the hands of state institutions. The activists want all participants to both control the process and make the decisions jointly and equally. They do not only want the people to have the chance to communicate with those in power, which is what the current public participation processes give them. They want ordinary people to equally share in the power.

**The critic: Are these activists right or wrong to differ from the law and the state?** How do we know whether these activists and their views represent the hopes and expectations of ordinary people?





## SECTION 3

# GLOBALISATION AND DEMOCRACY

### What is democracy?

*'Government of the people, by the people, for the people'*

**Abraham Lincoln**

*Democracy is popular self-rule. If we want to know whether a system is democratic or to what extent, we have to ask: 'Do the people rule?' and 'Do they do so equally?'*

**The Institute for Democracy in South Africa (IDASA)**



*Americans may be encouraged to vote, but not to participate more meaningfully in the political arena. Essentially the election is a method of marginalising the population. A huge propaganda campaign is mounted to get people to focus on these personalised quadrennial extravaganzas and to think, "That's politics." But it isn't. It's only a small part of politics. The population has been carefully excluded from po-*

*litical activity, and not by accident. An enormous amount of work has gone into that disenfranchisement.”*

**Naom Chomsky, 2004**

*We of the Correspondence believe that the larger the modern community, the more imperative it is for it to govern itself by the principle of direct democracy. Otherwise we face an ever-growing bureaucracy.”*

**CLR James, 1956**

Democracy is a concept – like freedom – which is used by so many people ... from activists fighting to defend their most basic conditions of life to international bankers ... from George Bush invading Iraq (to bring democracy?) to Iraqis fighting to get rid of the US occupation.

How can we get a definition which is appropriate for our aspirations?

Democracy was born in Ancient Greece. Before then Ancient Greek societies were ruled either by a single individual (a dictator) or an elite group of wealth and birth (the aristocracy). The poor and the ordinary citizens were excluded from political power. Through a series of revolutions the citizens drove the dictators and aristocrats from power and instituted democracies, which meant the rule of the people instead of the rule of dictators and aristocrats. For two centuries kings and lords of other lands looked on in fear and frustration as Athens and other city states flourished under the rule of the ordinary citizens. The kings and lords sent their spies and armies to undermine and destroy the democracy. So the citizens had to govern while fighting wars and conspiracies. Despite this the rule of the people did not lead to collapse and chaos as the kings and lords had hoped and predicted. Instead democratic Greece was able to make an immense contribution to the progress of human society. Including giving us the word democracy and the understanding that it means the rule of the people, not the rule of a dictator or an elite.

Democracy is the political domination of the people over the elite. It is not freedom from domination for every member of society. For this to happen there have to be no elites. Divisions into capitalists and workers, dominant and oppressed nationalities, oppressor and oppressed races, dominant men and dominated women and children make freedom for every individual impossible to realise. It means someone will always dominate someone else. Only when these divisions are abolished, and society is organised as a single community without institutionalised hostility between its members, does full freedom for every human become possible.

Democracy can be a road to freedom. For this to happen the popular masses have to use their democratic power to abolish elites. Democracy would then lead to freedom. In fact, if it is true that instantaneous abolition of elites is not possible, and that elites will not abolish themselves, then some form of democracy is the road to freedom. But only if the popular masses use their democratic power to institute a comprehensive social revolution aimed at universal human emancipation.

**The critic:** In Ancient Greece, Ancient Rome, the Great French Revolution, the Great Russian Revolution and the anti-colonial revolutions of the twentieth century the people failed to use their democratic power to free themselves of all elites. The elites used their social power to establish and reinforce their domination over politics.



## Democracy in capitalist societies

In a capitalist democracy the degeneration of representatives into elected governing elites is built into the system. Such a society is based on the exploitation of the working class. Its system of governance is carefully designed to prevent the working masses from gaining the power to put an end to it. It maintains dictatorships over crucial areas of social life and only concedes democratic rights and powers when popular struggles force it to do so. The crucial institutions through which it does this include the following:

- The nation-state bureaucracy.
- The capitalist firm.
- The armed forces.
- The rule of law.

### The nation-state bureaucracy

The nation-state bureaucracy consists of every employee of the state. But the power lies at the top. It establishes and promotes hierarchical and authoritarian relations between human beings. Members of this institution are required to obey others in higher posts. And all members must obey the head of state. Failure to do so results in dismissal or more severe penalties.

This giant power structure is by law and by design committed to maintain the functioning of a capitalist society. It organises itself around this purpose. And it recruits its members on the basis of their willingness and capacity to carry out this task.

All the social functions under its control therefore tend to support the power of capital over human beings. The education it provides, the healthcare, transport, diplomacy and so on, are all designed to reproduce capitalism and enhance its growth. Where these coincide with what humans need to survive and be happy, it appears as just that – a happy coincidence. But where the requirements of capitalism conflict with human survival and happiness, the nation-state bureaucracy reveals itself as an inhuman dictatorship, quite prepared to cause misery and death in order to enforce capitalism. The needs of the vast majority of humans conflict with those of capital.

### The capitalist firm

The capitalist firm is a totalitarian dictatorship. Its power structure and purpose is unquestionable. Power lies in the hands of the owner. The purpose of the organisation is to make profits for the owner. Yes, employees can rise to positions of great power within capitalist firms. But only on the basis of a proven willingness and capacity to enhance the profits of the owners. A lack of any of these leads to dismissal.

The biggest share of society's productive labour takes place under the dictatorship of capitalist firms. The biggest share of society's consumption takes place under the same capitalist dictatorship. Humans can only produce or consume if by doing so they enhance the profits of capital. The mass of humanity ends up a stressed, starving, poor, bored, exploited, alienated group of tools in the hands of capitalist firms.

## The armed forces

The army is even more of a totalitarian dictatorship than capitalist firms. Of course many of the private armies in the world today are capitalist firms. Power belongs to the owner and the purpose is profit. In these privatised armies the authoritarian and dictatorial relations tend to be even worse than in other capitalist firms. And of course they have the weapon of violence to enforce their interests on people outside the firm.

The major armed forces in capitalist societies are those of the state. They form a specialised branch of the nation-state bureaucracy. Their specialisation is to kill and die on command. The poet expressed the position of the soldier: 'Yours is not to reason why, yours is but to do and die.' In this institution killing a human is but a part of the job description. But disobeying a superior officer is a hideous crime. The most superior officer has all the powers of a dictator over life and death. The institution is a military dictatorship.

## The rule of law

A law is a rule that turns people who disobey it into criminals. The police then have the right and duty to lock such people up until prosecutors, magistrates and judges decide between them what further violations to inflict on the disobedient. The rule of law is the rule of a select and very small group of law makers and enforcers over the mass of the people. Institutionalised violence backs up these rulers.

In every moment, except the one of the election of law makers, the rule of law is an all-embracing, pitiless government of the people by a self-selected elite. The founding belief of this elite is that ordinary people cannot dispense justice. Only specially trained and tightly controlled police and judicial officers can know and enforce what is fair and right in the way people relate to each other. The people do not even appoint this officer caste. This is left to other members of the police and judiciary, and to law makers and the head of state. Elected members of the state can only appoint judicial officers from among judicial officers. The police and judiciary is a self-appointed, self-perpetuating power elite.

## Law enforcement and ideology

In many capitalist democracies the above institutions do not have to enforce the rules of capitalism onto people because people carry out these rules often quite voluntarily. In South Africa we fought hard for the democratic freedoms against the tyranny of apartheid including arrest without due legal process, detention without trial and, critically, the denial of the vote to all South Africans.

In very important ways even when the capitalist elite dominate the democracy, millions of ordinary people are the first to defend that very democracy including institutions now dominated by the elite.



In fact it is the capitalists who constantly try and roll back the democratic gains made by the people.

But the rule by the elite is also maintained by a whole set of institutions that teach us that their rule is natural. For instance it often seems natural that those who have a lot of capital should get a fair return on their investment. We are told that hard work is rewarded by wealth; that men are more natural leaders than women; that white people brought about civilisation etc. That respect for the law is necessary to avoid chaos etc.



#### WORD DEFINITION

##### **Ideology**

A way of thinking that supports oppression by making it seem natural and inevitable.

These views, constantly repeated, take on a kind of hold over our understanding of the world and make it unnecessary for the policeman or the army officer to forcibly impose the rule of law onto many citizens. We refer to this hold over our understanding as an **ideology**.

There are a number of institutions which have the function of spreading this ideological control over our thinking and which justify and perpetuate the rule of the capitalist over workers, white people over black, men over women etc. These institutions include the educational system, organised religion, the patriarchal family and so on.

#### **Organised religion**

Organised religions have propped up every oppressive society in history and have sought to place their own authorities in power over especially women and people who did not share the beliefs and practices of the specific religion. Of course modern capitalist democracies are legally secular. There is a separation between state and religious institutions. However, this legal separation does not mean the end of mutual support between religious and state elites against the liberation struggles of the mass of the people. Organised religion continues to exert its dictatorial powers in favour of state capitalist elites. The USA, the first country to legally separate state and religion, is perhaps the most striking example of this.

#### **The patriarchal family**

This institution places women under the authority of men, children under the authority of adults, and exerts powerful pressures in favour of heterosexuality. It privatises the social task of raising a new generation of humans and perpetuating human society. This often makes people submit to oppression because they fear the consequences of not doing so for their family members. Examples are workers submitting to exploitation in order to feed their children.

### **How did Globalisation become triumphant?**

We have noted that globalisation was able to intensify capitalist exploitation and imperialist domination because of the defeats suffered by the working class in the 1980s. It would therefore be extremely surprising if it promoted democracy.

In the rich countries where democracy existed for years globalisation attacked democracy in many ways.

New Zealand was the first capitalist democracy to globalise, and the US and Britain the most important. And the USA, with Britain's support, spread globalisation throughout the world.

The people in these democracies, in fact, tried to stop globalisation.

In the USA and Britain the governments of Reagan and Thatcher had to defeat major struggles of the working class before they could globalise these countries. They used a combination of co-option and repression to neutralise the trade unions, political parties and other organisations of the working masses. In Britain the most notorious example was the defeat by Thatcher of the mineworkers' strike of 1983/84.

For co-option the globalisers depended on the support of a layer of bureaucrats in positions of power inside social democratic parties and some of the trade unions – those whose interests committed them to a functioning capitalist society. For repression they depended on their control of the armed forces of the capitalist state.

They intensified the manipulative power of money in elections. Undemocratic global institutions such as the IMF and WTO took control of more and more aspects of societies. Increasingly state power became centralised in the offices of presidents and prime ministers. Media freedom and diversity was restricted as large media TNCs bought out radio, television and newspaper networks and established media monopolies. The structures of political parties changed to give more power to leaders and less to ordinary members. Special legislation and entire departments of states were set up to circumvent laws protecting the civil liberties of people. Legislated rights to protest and organisations formed to use such rights came under severe attack. State departments dedicated to social welfare increasingly lost power and resources. State departments dedicated to making war and profits increasingly gained power and resources.

And as neo-liberal prescriptions took hold political parties started converging – lining up to say the same songs from the same economic hymn sheet. The need to compete for global investors imposed the same policies on different parties, leaving electorates with no real choice.

Outside the rich countries the attacks on democracy were much more violent. The first two countries to have their economies globalised were Chile and Indonesia. In both cases this globalisation was preceded by United States-initiated military coups that overthrew elected governments and instituted vicious dictatorships. These



dictators – in Chile, Pinochet, and in Indonesia, Sudharto – are today remembered with horror and loathing as embodiments of anti-democratic violence.

On the other hand in Africa in the 1990s the relationship between globalisation and democracy, on the surface, looked quite different. After independence in the 1950s and 1960s most African countries suffered Cold War interference and experienced many coups or imposed dictators depending upon what suited US imperial interests at the time. Where countries had some level of stability after successful national liberation struggles they attempted to forge paths of national development using Keynesian policies of import substitution together with social welfare programmes. Under pressure from the debt crisis of the 1980s, however, most African countries had become so destabilised that they were governed by authoritarian one-party rulers, but often with extended programmes of social welfare and continued attempts at domestic production.

In the 1990s globalisation, in the form of new structural adjustment programmes, called for neo-liberal programmes of cutting social welfare but under the guise of democracy. Neo-liberalism found local allies who took advantage of the mood for democracy amongst the people by conflating freedom with the free market. In countries like Zambia a Movement for Multi-Party Democracy (MMD), for instance, was swept to power on a neo liberal globalisation programme. Similar changes occurred throughout Africa in the 1990s as regimes came into power against one-party states and championing a combination of political “freedom” with freedom of the market.

These instances do not contradict our experience of the tension between globalisation and democracy however because all of them were cases where African people ended up swapping one form of dictatorship – a military or one-party one with a welfarist state – for another – an IMF-dictated elected government with no social services at all.



**The critic:** The triumph of globalisation in Eastern Europe also involved this apparent merging of democracy with the free market. Because most of Eastern Europe was under Stalinist dictatorships whose official line was that they were opposed to capitalism, the collapse of these regimes in the 1990s seemed to confirm that only capitalism could promote democracy. After the initial euphoria of obtaining Western-style freedoms the people of these countries have rapidly found that globalisation has led to a brand of violent, authoritarian, corrupt capitalism.

Globalisation worsened the vilification of Muslims, blacks, other people of colour and women's liberation, leading to increasingly violent expressions of islamophobia, racism and sexism. Longer working hours, rising unemployment and impoverishment meant people had less time and resources to devote to politics. Corporations accrued ever-growing power to impose their totalitarian structure and hunger for profits on millions of people.

## South Africa's globalisation: GEAR and democracy

South Africa moved from authoritarian Apartheid to capitalist democracy in the time of globalisation. The period including the last years of Apartheid and the first years of democracy was also the time of the introduction and establishment

of globalisation. For a time the country became more democratic as it became more globalised.

However, this does not mean globalisation and democracy became friends in the southern end of the African continent. Even here globalisation depended on a 'democratic deficit', a divergence and conflict between the wishes of the people and the policies of the government. The government of Mandela introduced the **Growth, Employment and Redistribution (GEAR)** strategy without the knowledge and against the wishes of even the ANC membership. The 'democratic deficit' became greater the more the government imposed globalisation on the people.

Like other capitalist democracies South Africa came to be governed by closely allied corporate and state elites. The pattern of capitalist democracies began to play itself out. The loss of meaningful sovereignty in relation to the US, the expansion of the role of a dominant imperialist power in Africa, the centralisation of power within the executive and especially the presidency, the transformation of political parties into centrally ruled, pro-globalisation clones of one another, legal and illegal attacks on dissent, the death of media diversity, the co-option of trade union and other working class leaders, the institutionalisation of election buying, the attack on the welfare role of the state, the privileging of the warfare and profit making role of the state – all of these added up to a democracy where the popular masses did not rule but only had some democratic powers and rights, in other words at most a partial democracy.

The consequences of all of this were predictable. President Mbeki came under criticism for an authoritarian leadership style, which was not a problem of his personality at all, but was inherent in his party's project of imposing exploitation on the people that elected them. People increasingly became cynical about politics and participated less. Anti-globalisation, pro-democracy protests and movements arose. From being a struggle against Apartheid, the struggle for democracy in South Africa became mainly the struggle against globalisation and the state and corporate power behind it.



#### WORD DEFINITION

### **Growth, Employment and Redistribution (GEAR)**

In 1996 the government announced the GEAR strategy. This meant that the government would follow the same neo-liberalism that was such a disaster for poor people elsewhere. It included removing restrictions on foreign capital, cuts in government spending on social services, privatisation and cost recovery where poor people are expected to carry the full cost of services. GEAR has led to massive job losses and increasing poverty.



## SECTION 4

# DIFFERENT FORMS OF DEMOCRACY

*"Representative democracy has failed us. We need a system of participatory democracy."*

**Activist at Community Forum, Delft**

If democracy is government of the people, by the people, for the people, how do the people exercise their power?



People can do so by their direct action. People can occupy a public space, occupy land, go on a march and take over a factory. Workers can test their power in the factory by going on strike. In each case such direct action can and does come up against the institutions of the state and the public power then has to be tested against the power of the state. Today in many countries young people attempt to exercise their public power by taking over public roads and planting trees. Social movements in places such as Brazil and Mexico have practised direct democracy by taking over unused land and turning them into co-operatives.

But for now we want to focus on how people can exercise their democratic power over institutions that they have set up as part of their struggles for democracy. In this regard we identify two forms of democracy whereby people attempt to exercise their power.

- Representative Democracy, and
- Participatory Democracy

## What is representative democracy?

In this system the people elect, from among themselves, a smaller group – representatives – to govern society. But in order for such a society to remain democratic, the representatives must not govern according to their own wishes and needs – they must govern according to the wishes and needs of the people.

The problem with representative democracy is that very often the representatives develop interests and preferences that are not only different from that of the popular masses, but are in conflict with them. The representatives tend to govern according to their own interest and preferences. In other words, they tend to govern against the wishes and interests of the people. The system therefore becomes less democratic until it stops being a democracy at all. At best it becomes a partial democracy governed by an elected elite. And a partial democracy is always a partial dictatorship.

## What is participatory democracy?

Participatory democracy – through discussions, consultations and joint decision-making – gives the people a role in governance beyond electing representatives. Elected representatives enter into discussions and listen to suggestions and criticisms before they make decisions. Participation in these discussions is open to the public and often participative structures are put in place to which people can send their mandated delegates.

Participatory democracy comes out of the struggle to lessen and overcome the shortcomings and failures of representative democracy. In South Africa the government says it should supplement representative democracy. Some activists feel representative democracy has failed completely and participatory democracy should replace it. The government's approach was implemented.

Attempts at participatory governance were therefore made not in opposition to the oppressive institutions of capitalist society, but in support of them and under their control. As a result the people did not gain any real power. The failures and weakness of representative democracy in a capitalist society remained unresolved.

For participatory methods to move society towards greater democracy, it would seem that these methods must be implemented through struggles to challenge the power of the state bureaucracy, capitalist firms and so on. Democracy and the institutionalised oppression of the people by an elite cannot live together for very long.

## Where does the idea of 'participatory democracy' come from?

*"The object of a ward committee is to enhance participatory democracy."*

**SA Government, government gazette 24 October 2003**

In South Africa both the government and working class activists speak of participatory democracy as something good. The Municipal Systems Act instructs municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance. On the side of the activists many tended to agree with a community activist who declared with great passion at a public meeting that South Africa needs participatory democracy.

Government and activists might mean conflicting things when they talk about participatory democracy as desirable. But both understand it as a system that overcomes weaknesses and failures of another system called representative democracy. Participatory democracy develops out of attempts to overcome weaknesses and failures of representative democracy.

## Participatory versus representative democracy

It should be clear that participatory democracy tends to give more power to more people than representative democracy. In fact it could be said that it is difficult to imagine a democratic system without participatory cultures and institutions. Of

course this is only true if participation means that every person has equal power to take part in making decisions. Participatory governance where people take part in discussions and consultations but an elite still makes the decisions is not really democratic. Supporters of democracy therefore have reason to support participatory democracy over representative democracy and to support both over participatory processes that are not democratic.

However, it should also be clear that it would be practically impossible to avoid some instances and forms of representative democracy. For this to stay democratic there has to be equality between representatives and those they represent, the represented must be able to mandate the representative, the represented must be able to recall the representative at any time, and being a representative must not become the special reserve of a specific group of people.

## The participatory budget process in Porto Alegre, Brazil

In Brazil in the 1990s, although the country was ruled by neo-liberal national government, a strong party with roots in the working class and poor farmers – the Workers' Party (PT) – had emerged and made significant gains in national and local elections. For instance the PT won elections and became the governing party in a southern city called Porto Alegre.

In this period the Workers' Party-led city council started what became known as the participatory budget process. The city was divided into 16 regions. Each region was represented by delegates who were elected by mass assemblies of the citizens of those regions. These delegates received mandates from the assemblies and, together with the city administrators, decided the priorities for the city's budget.

Mass meetings of citizens came to play a crucial role in deciding how to spend the money available to the city council.

Clear benefits to working class and poor people flowed from this initiative. People became politically more active and aware and therefore more influential in the governing of the city. City councillors and the executive became more accountable. And the council increasingly spent its money on meeting the basic needs of the popular masses.

However, people soon identified the limitations of this process and even the dangers that it posed to the masses. Although the people could seriously influence how the available money was spent, they could not decide how big this available amount should be. This was ultimately in the hands of the national state. Very often this meant that the city council simply did not have the necessary resources to meet the needs of the masses. Another problem was that the powers



that people had through this initiative depended on the goodwill of the governing party. Although the Workers' Party supported this initiative, when they lost the election it came under threat.

The general problem was that the still powerful oppressive institutions of this capitalist society undermined the capacity of the participatory budget process to improve the lives of the popular masses. If the effect of taking part in this process was that the masses slackened or tried to abandon their opposition to these institutions, it would have meant that this process became just another means of perpetuating the oppression of capitalist societies. Some people felt this was exactly what happened. Others thought that taking part in the participatory budget process gave the masses new inspiration, skills and cohesion to fight their oppressors. Most agreed that the co-option and subjection of participatory institutions by capitalist elites was entirely possible.

## Parallelism in Venezuela

In 2002 **Venezuela**  re-elected president Hugo Chavez on the basis of a programme of popular reforms for the poor. Chavez has called the developments in Venezuela a Bolivarian Revolution and has championed experiments in new forms of local democracy especially after the elite in Venezuela tried to overthrow these popular reforms, firstly through a referendum, and then through a US-inspired coup.

In Venezuela a nation-wide attempt to create participatory institutions was given the name "parallelism". This means participatory institutions, at least initially, would not replace representative and authoritarian institutions but would exist 'parallel' to them. At the level of local government the participatory institutions are called local public planning councils, or CLPPs as they are known by their Spanish abbreviation.

The CLPPs and other participatory institutions in Venezuela are facing the same problems as the participatory budget process in Porto Alegre. However, in Venezuela there is clearer evidence that 'parallelism' has, with the enthusiastic support of state president Hugo Chavez, inspired and accompanied a growing mobilisation of the popular masses against the state-capitalist elites. This does not mean 'parallelism' has avoided the danger of co-option and subjection to anti-democratic institutions.

Commentators have identified at least three threats. Capitalist firms continue to dominate the economy and are likely to continue to do so unless expropriated. The power and influence of President Chavez can be used against the masses. And the lack of a clear feminist focus in the social changes means patriarchy and sexism form a potential base from which all the progressive changes could be attacked. Whether 'parallelism' becomes a functioning participatory democracy depends largely on how the popular masses respond to these threats.

## Democracy and freedom

The institutions of capitalist society that suppress the freedom of its members have also acted as huge obstacles to the development of democracy. They have conceded democratic rights and powers only when popular struggles forced them to do so. And they have done so with great anxiety about their power and



### WORD DEFINITION

#### **Venezuela**

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privileges, with dire warnings of the end of human society, and with deep determination to undermine and reverse these concessions in any way they could. They have learnt to neutralise the democratic potential of representative institutions and to co-opt and subject them to their own purposes. They have turned parliaments into just another section of the state-capitalist elite.

There is nothing inherent in participatory institutions that stops them being used in the same way. The governing institutions of capitalist society are clearly learning how to use participatory language to build and protect their own power and privileges. These institutions were born as concessions to popular, progressive struggles. But this does not make them immune to co-option and subjection by the elites. Representative institutions were born in the same way and the elites co-opted and subjected them. In South Africa we see the elites doing the same thing to participatory institutions. In Brazil and Venezuela the elites are attempting to do the same. There is no guarantee that they will not succeed.



**The critic:** For democracy to grow, whether representative or participatory, the popular masses have to oppose the power of the oppressive elites in capitalist society. For it to flourish this opposition must transform itself into a revolutionary struggle to abolish oppressive institutions and elites. As long as these institutions and elites exist they will undermine and overthrow democracy. Democracy flourishes as the means towards human freedom.



## International Labour Research and Information Group

ILRIG is a non-government organization founded in 1983. We provide research, education and training to unions, community structures and other social movements. Our overall focus is to develop alternatives to globalization. Our specific areas of work include: Trade and Investment, South Africa's role in Africa, Democracy and Public Power, Local Government Reform, Public Sector Reform, Workplace Restructuring and new Forms of Organisation, Gender and International Solidarity.

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