

# **A Critique of the Economic Programme of the SACP, or the South African Road to Socialism**

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The social-democratic and reformist character of the South African Communist (SACP) and that of its participation in the tripartite alliance has been pointed out elsewhere. Here we concentrate on the views of the SACP with regard to its conception of socialist economy and its understanding of the transition to socialism in the conditions of South Africa. This critique is based on official documents of the SACP. These include an important document pertaining to the 13th Congress political programme of the party for 2012-2017. This document represents the SACP's five-year plan.

## **The National Democratic Revolution**

Let us start by saying that it is hard to disagree, as a whole, with the analysis of the SACP with regard to the character of capitalist exploitation of the toiling masses and the dependent, semi-colonial character of the South African economy. While possessing a significant industrial base, including primary heavy industry and basic infrastructure, economic data are strong evidence of the relation of dependence of South African capitalism to foreign capital and large international corporations. In this light one would be tempted to embrace the National Democratic Revolution (NDR) as what the SACP considers the South African road to socialism:

‘The NDR is the strategic means for maximising the size and coherence of a popular camp and for isolating and out-manoeuvring our principal strategic opponent – monopoly capital and the imperialist forces that underpin it’. (‘The South African road to Socialism. 13th Congress Political Programme of the SACP 2012 – 2017’, page 6.)

It is believed that the SACP has been advocating the National Democratic Revolution since the 1920s. It is relevant to place this statement in context. The anti-fascist struggle led to the formation of popular fronts. Here the communists would establish alliances with broad spectra of political forces engaged in the anti-fascist struggle. These would include liberal and bourgeois elements. Following the defeat of fascism in Europe, the post-war period led to the formation of People's Democracies in Eastern Europe and Asia, together with the collapse of the colonial system under the pressure from national liberation movements. People's Democracies in Eastern Europe underwent two stages. In the first the communists were allied with anti-fascist bourgeoisie. Towards the end of the 40s People's Democracies in Eastern Europe had plunged into a second stage where capitalist economic relations were being liquidated, industry had been nationalised and massive collectivisation was underway or being completed. At this stage People's Democracies were already performing the functions of the Dictatorship of the Proletariat. With the purpose of accomplishing certain historical tasks, Marxism-Leninism embraces the concept of alliance with non-proletarian elements, the petty-bourgeoisie and certain sectors of the bourgeoisie, provided leadership is in the hands of the proletariat. In this transitional period the relations of production experience a profound process of transformation in order to prepare the basis for the socialist mode of production. This includes dealing with the

leading economic relation, the relation of property. Large industry and major infrastructure is nationalised. This constitutes a critical source of resources in the hands of the state with which to forge forward with economic transformations. This becomes the engine of the economy and of further transformation of the relations of production. Rapid industrialisation, with emphasis on the production of means of production, defines the directional vector of economic development. Massive industrialisation on the basis of high-end technology is the necessary condition to overcome the dependence from imperialism and to create the conditions for the establishment of socialism. It is important to underline that this transitional period (i.e. the NDR) needs to be distinguished from the more general Marxian concept of transitional society, that is to say, socialism. This is a critical point, as will be discussed later. In the context of this discussion, the national liberation movement establishes a transition to socialism, with socialism, as per Marx's understanding, being a transitional society per se. Based on historical experience we can state that Socialism is established in the main when the capitalist mode of production is uprooted and the socialised sector becomes hegemonic. This sector coexists with non-socialised sectors. The latter are dominated by collectivism (i.e. cooperatives in agriculture) with the understanding that the material basis is available for the gradual socialisation of this sector. In these conditions class antagonisms have between liquidated and the sphere of operation of commodity-money relations is restricted mostly to consumption and only in part to the relations between the state and cooperative sectors. Economic relations between the socialised and collective sector, while displaying the outward appearance of commodity exchange, in essence, are economic relations of a different type. Socialism remains a class society, but a society where internal class contradictions are not of an antagonistic nature.

To portray the transition to socialism as a long historical stage on its own is a characteristic feature of right wing revisionism in the understanding and definition of the tasks of the national liberation. Whereas socialism is a well-defined historical epoch, the transition to socialism should not be considered a lengthy process to the point that it can be viewed as an independent historical epoch. To consider the transition to socialism as independent stage in practice leads to the postponement of economic reforms necessary for the transition to socialism, such as the nationalisation of the main means of production. The latter is a corner stone for genuine transformation.

It is also important to remark that the NDR is a staged process. This is mainly determined by the fact that this social transformation is charged with the accomplishments of the outstanding tasks of national liberation. Although, these are ultimately preconditions for the transition to socialism, they are not inherently socialist. For instance, the accomplishment of the long awaited land reform in South Africa (the ANC's 1955 Freedom Charter comes to mind) would be an immediate task of the national liberation movement. This is an unfulfilled task of the anti-apartheid movement but would not be a measure inherently socialist, even if it were a necessary condition for the transition to socialism. At this stage alliances with some sections of the patriotic bourgeoisie are possible and even necessary. At a later stage, when the national liberation movement accomplishes anti-capitalist measures on the basis of a solid alliance of the toiling masses, the alliance with the national bourgeoisie will expire. The transition to socialism implies the conscious liquidation of capitalist relations, the transformation of the relations of property being at the centre of this process.

## The SACP and Market Socialism

In order to understand the SACP's scheme for the transition to socialism, the NDR, it is convenient to get to the fundamentals. The issue with the SACP's views on road to socialism starts with the very same understanding of the concept of socialism *per se*. Let's consider the SACP's definition of socialism:

'Socialism is a transitional social system between capitalism (and other systems based on class exploitation and oppression) and a fully communist society. A socialist society has a mixed economy, but one in which the socialised component of the economy is dominant and hegemonic.' ('The South African Road...' page 50).

After the vast historical experience of how the Marxian statement was concretised in practice it is not appropriate to define socialism in such a broad sense. The concretisation of this concept has been summarized above as the generalisation of historical experience of the construction of socialism in the XXth century. Certainly, socialism is a transitional society that lies in between capitalism the communist society. However, much has been learned to leave in such broad terms unless there was a purpose. This purpose becomes apparent in the statement that socialism 'has a mixed economy'. In the context of the document a mixed economy clearly implies the coexistence of the capitalist and socialised sectors. Neither the founders of Marxism-Leninism nor the historical experience indicate that socialism, however transitional, is an economic formation that allows for capitalist exploitation. Capitalist exploitation does certainly persist at the early stages of the NDR, however, this and socialism are two different stages of the development of the revolutionary process. This statement is consistent with the theories of market socialism that are characteristic of right wing revisionism and became hegemonic as of the second half of the 50s. According to these theories socialist construction and the transition to communism could be possible with the expansion of commodity-money relations beyond the constraints discussed above. In this scheme even the socialised character of the nationalised sector becomes under question. The liquidation of socialism in the Soviet Union and Eastern Europe and the ulterior collapse of the system that emerged as a result of the reforms of the 50s is direct evidence that socialism is not a mixed economic formation.

A commodity-based economy, such as the model for 'market socialism' cannot develop with restrictions on the movement of capital and labour, and other constraints absent in countries of classical capitalism. The ideologists of modern revisionism ignored this important fact. The theories of market socialism essentially disregard the objective character of the economic laws and have been proven bankrupt by history. This revisionist social formation became untenable by eventually collapsing. The leading factor for the collapse of the revisionist systems of market socialism needs to be found in the objective laws of political economy rather than in subjective factors, or factors solely related to the super-structure. The critique of the revisionist system needs to be head on by addressing fundamental questions of socialist construction and the transition to socialism. Bourgeois-Trotskyite analyses blame the collapse of the Soviet Union on the so called 'Stalinist' bureaucratic-authoritarian practices and lack of internal democracy, while considering the social formation that emerged after the reforms of the 50s as yet socialist. With this Bourgeois-Trotskyite analyses essentially embrace the thesis of market socialism. Historical experience and detailed study of available literature yield a completely different picture of the

causes leading to the demise of the Soviet camp and the fact that these countries were not socialist. Any scheme for the transition to socialism that adopts the premise that whatever collapsed in the 1989-1991 period was socialist, however distorted or adulterated, displays a fundamental flaw. This seems to be the case of the underlying historical-concrete analysis performed by the SACP. As will be discussed below, this analysis seems to be permeated by an admixture of Khrushchovite-Brezhnevite, neo-Trotskyite and even openly anti-Marxist features. We will come back to this question later. This is far from an academic question but rather a question of principle that affects the feasibility of the transition to socialism.

We can read further with regard to the relations of property envisioned in the NDR:

‘A socialised sector will include *democratic state-owned* (our emphasis) entities, but also other forms of public property, and a vibrant cooperative sector... Socialism is not some “second” stage after the completion of the NDR’ (‘The South African Road to Socialism’, page 7).

We are mesmerised by the concept of ‘democratic state-owned entities’, not because of its novelty, but because of the fact that it appears in a document allegedly written by communists. This term does not appear in the Marxist literature and it seems to be adopted from the anti-Marxist conception of socialism of the XXIst century, coined by Heinz Dieterich *et al.* The latter, in turn, reformulates well-known bourgeois concepts. Given the fact that the SACP does propagate the term ‘socialism of the XXIst century’ we feel impelled to touch upon this influence in the document of this glaring anti-Marxist and bourgeois theory. The concept of ‘democratic socialism’ is a bourgeois term utilised by social democracy and similar tendencies. This and derived terms, are intended to negate the transformational role of the state of the dictatorship of the proletariat. As Lenin argued at the time, the state of the dictatorship of the proletariat is far more democratic than bourgeois democracies. Bourgeois propaganda has adamantly tried to portray the concept of dictatorship of the proletariat as the dictatorship of the few. Bourgeois ideologists bend backwards and forward to falsify the history of the Soviet Union, most prominently, the so-called ‘Stalinist’ period. So much slander has been written about this period, so much factually incorrect data has been made up by the bourgeoisie with the intent to portray the dictatorship of the proletariat as anti-democratic. It is a shame that communists, not only yield to this pressure, but adopt as their own concepts that are alien to Marxism-Leninism and are the result of historical misrepresentation.

The bourgeoisie and its representatives in the form of the social democracy stands against the centralised and planned principle of management by alleging that the socialist principles of management and structure of the socialist state are anti-democratic. Social democracy stands against the socialisation of the means of production and, therefore, against the transition to a centralised economy. Instead, it fosters the illusion that social and economic justice can be achieved by democratising capitalism, in essence, Duhring’s utopia. As will be seen later, the so-called socialism of the XXIst century, that the SACP seems to embrace, does not add much to these anti-scientific theories other than confusing terminology.

In Marxist political economy the concepts of democratic, anti-democratic, dictatorial, libertarian, state-owned properties simply do not exist. These are eclectic terms that are void of scientific

meaning. In Marxism, the concept of socialisation is well defined. In the period of transition to socialism and in socialism itself, for as long as the state has to exist, the socialisation of the means of production is materialised in the form of state-owned property. As historical experience has painfully taught us, stationalisation and socialisation are not necessarily equivalent. The *conditio sine qua non* for stationalisation to render socialisation is that the state fulfills the functions of the state of the proletariat. It is only under a system that fulfills the functions of the dictatorship of the proletariat that the stationalisation of the means of production generates transformation of the relations of production. Then and only then the socialised character of the new economic relations can start to emerge and manifest itself in contradiction to the old economic relations based on exploitation. History has taught us that the process of socialisation of economic relations does not happen spontaneously, but rather as a result of a conscious and well defined effort. Putting forward a bogus concept of democratisation is expected of a petty-bourgeois critique of monopoly capitalism, but it is not expected of the Marxist-Leninist.

There is a clear differential line between socialism and social-fascism that we all need to be aware of. For reasons that we can only guess the concept of the dictatorship of the proletariat is simply missing in the SACP document. What does this term of ‘democratic state-owned entities’ amount to should it be realised in practice? One has to be very careful when dealing with the question of socialisation. Socialisation in a poorly defined super-structural context can lead to serious aberrations. The concept of democracy is arguably one of the broadest and worst defined and therefore, most misused in the critique of Marxist-Leninist political economy. The concept of democracy in the SACP document under scrutiny remains broad and abstract. With the conspicuous omission of the Marxist-Leninist concept of the dictatorship of the proletariat in the transition to socialism, serious concerns are raised as to the nature of the SACP’s concept of democracy. How different is it from the petty bourgeois concept of democracy and its relationship with the role of the state in the economic transformation?

We may have part of the answer in what appears in the same sentence. What is implied by ‘vibrant cooperative sector’? It is well accepted that in the transition to socialism and within socialism itself the cooperative form of property remains a very important component. The relative weight of the cooperative sector depends on the concrete historical conditions of the emergence of the revolutionary process. Nevertheless, the primary intent of the revolutionary transformation of the economic relations with regard to the cooperative sector is to elevate it to a higher level and socialise it. It is essential for the economic transformation to enhance the labour productivity of the cooperative sector. The cooperative sector lacks the capital resources for extended reproduction available in the state sector. The elevation of the cooperative sector does not happen as a result of the spontaneous development on the basis of the perpetuation of the economic relations congenital to cooperative relations. On the contrary, the process of socialisation of the cooperative sector relies heavily on the development of the state sector, on the one hand, and the enhancement of the integration with the latter, on the other. The SACP document is not concrete with regard to how it envisions the evolution of the cooperative principle in the socialist transformation. Because of recurrent concepts alien to Marxism in the text we are concerned that this ‘vibrant cooperative sector’ may be viewed as an attempt to perpetuate and even further develop the old economic relations in the NDR and right into socialism.

In the same quote we can read ‘Socialism is not some “second” stage after the completion of the NDR’. As noted earlier, the transition to socialism, as per historical experience, has to display at least two stages. The refusal to conceive socialist transformation and socialism, as a more advanced stage of the NDR, is tantamount to constraining the NDR to the tasks of national liberation. It makes little sense to compare the composition of political forces and the political/economic tasks of these goals with those of socialist transformation. This leads us to believe that to the SACP the whole concept of socialisation is some kind of abstract notion, a statement of good will, instead of a clearly defined course of action. In this context generic statements such as:

‘The only hope for a sustainable world lies in a radical transition to socialism in which an increasing part of human activity including production comes under social control, in which we finally create the objective conditions for placing social needs before private profits’ (‘The South African Road to Socialism...’, page 24).

are deprived of revolutionary content. In the context of this discussion ‘placing social needs before private profits’ is more of a moralistic appeal than a programme of political and economic transformation. Indeed, the document lacks the necessary notions to convey substance to these statements. The lack of concrete notions of how to make the transition from ‘private profit’ to the socialised principle is strongly linked with gradualism and the theories of market socialism. These are fundamental tenets of social democracy, of petty bourgeois thought, in general.

The strong influence of the Khrushchovite-Brezhnevite theories of market socialism is evident in the document. We read the following statements:

‘Transforming the market – socialism is not necessarily about abolishing markets, but rather about rolling back the accumulated class power of capitalist in the market. Transforming the power relations: Increasing the power of the working class on the labour market – eliminating unemployment, strengthening the power of the trade unions, skills training, an effective social security net, and a massive land reform initiative; the effective use of state subsidies, tendering and procurement policies, regulatory controls, and the use, *on the market, of public sector corporations to transform and democratise markets* (our emphasis); the establishment of effective consumer negotiation forums and watch-dog bodies, buttressed by the organised (consumer) power of the working class’ (‘The South African Road to Socialism...’ page 51)

Firstly, as admitted by the SACP earlier in the text, socialism is conceived as a mixed economy (a mixture of the socialised and capitalist modes of production). Secondly, the liquidation of the capitalist mode of production is an evolutionary, gradualist process of transformation, in which somehow market relations die out under the manipulation of progressive forces. And when we say ‘somehow’ we imply the lack of scientific assessment of this transformation. This alleged transformation is more of an *ansatz* than a scientific scheme. This is the “theoretical” basis for the illusions of reformism. Needless to say, reformism has never worked in the interests of the working class. The betrayal by social-democracy and other reformist movements of the interests of the working class and the very collapse of the revisionist regimes in 1989-1991 are direct evidence of the unfeasibility of these ideas. For some reason the SACP keeps stubbornly

insisting on them. Indeed, socialist transformation is about abolishing the private market. The private, capitalist, corporate driven market is the very reason why the transformation is needed. The 'rolling back' of the market or the power of the bourgeoisie is an anti-scientific delusion. Economic laws are objective and to the best of our knowledge we are only aware of the laws of capitalist and the laws of socialist modes of production. The theorists of market socialism have essentially attempted to generate the political economy of an allegedly different mode of production. This is the illusion that somehow, under the pressure and participation of the working class, the capitalist mode of production can be moulded and be eventually socialised. The influence of the working class with which to transform the market is exerted within the boundaries of the market itself. Here the working class influences the market as a 'consumer' in that very same market. How different is this conception from that put forward by Marx! The worker confronts the market as a seller of labour power, i.e. as an exploited. It seems the intent of the SACP to modify the relation of exploitation within the framework of exploitation. In this scheme the worker strives for a 'fair' share of the market, as he or she confronts the market as a purchaser of commodities produced in the process of exploitation of the working class. In this scheme the struggle for the transition to socialism is viewed as a hagggle with the bourgeoisie while the bourgeoisie remains in command both political and economically. To portray this any differently would be not be an honest account of the practical implications of this lack of principled action.

The SACP envisions the gradual socialisation of the market by preserving the very same economic forms that stand in the way of socialisation. Here we go back to Duhring's scheme, which visualises fairness as the exchange of equivalents, i.e. the application of the law of value as a measure of economic justice. But it turns out that the law of value is the very same measure that defines the exchange of labour in market relations. The goal is not to subvert the relation of exploitation but to curtail the tendency of monopoly capitalism to maximise profits, thus creating the conditions to distribute a 'fair' share of the market to the exploited. SACP's proposition is to provide the conditions for the working masses to better bargain in the market, but not to liquidate the economic relations of exploitation. This is what is behind the concept of 'democratisation of the market'. This train of thought is pre-Marxist and predates scientific socialism, although somehow it is portrayed as a new idea by the ideologists of the socialism of the XXIst century. Time and again this scheme avoids dealing with the question of nationalisation of the main means of production as a precondition to economic transformation. As we will see later the avoidance to deal with this question has 'theoretical roots' in the schemes proposed by the ideologists of the socialism of the XXIst century.

Gradualism (reformism) is evident in the realms of economic and political transformations. The SACP believes in 'Increasing the power of the working class in the labour market'. We have discussed the anti-Marxist character of the conception of 'democratising the market'. A tightly intertwined aspect of these theories is the thesis of gradualism in social and economic processes. It is advocated that the socialising and capitalist principles can coexist during a long period of time and that at some point the socialising principle gradually imposes itself over the capitalist principle. Gradualism is alien to the political programme of any Marxist-Leninist organisation not because of reason of purity of ideals or indoctrination, but because of the vast historical material that incriminates gradualism as a means to avoid implementing genuine socialist transformation.

Yet one more example of how the SACP avoids dealing head on with the question of the nationalisation of the main means of production is the concept of ‘de-commodifying basic needs’:

‘Rolling back the capitalist market – particularly through a struggle of “de-commodify” basic needs – water, energy, health-care, education, the environment, public transport, housing, social security, culture and information, and work itself. These are fundamental social rights. They should not be commodities whose availability, and whose price is determined by a profit maximising, capitalist market.’ (‘The South African Road...’, page 51)

How is the SACP proposing to ‘de-commodify basic needs’, let alone labour itself? What is the concrete proposal that the SACP is putting forward to exclude these basic needs from the sphere of operation of commodity-money relations? Certainly, not by means of the nationalisation of the means of production. This is evident from the gradualist character of the statement put forward. In the context under scrutiny the concept of ‘de-commodifying of basic needs’ including labour is in contradiction with Marxism-Leninism. With the seizure of power of a government under the leadership of the working class and the nationalisation of the main means of production (including these basic needs) the precondition for the liquidation of the commodity form for these vital products becomes objective reality. The consolidation of the process of liquidation of the commodity form with regards to these basic needs occurs with the establishment of the socialist mode of production (i.e. liquidation of the capitalist mode of production). But neither the establishment of the socialist mode of production nor the transition to it is feasible without compromising the integrity of the capitalist relations of production. The SACP proposes a project for the transformation of capitalism on the basis of capitalism itself. In this context, the postulate of ‘de-commodifying of basic needs’ is rendered *contradictio in adjecto*.

We have seen that the SACP’s conception of the transition to socialism operates within the assumption that capitalism can be destroyed on the basis of capitalism itself. It is therefore logical that the SACP makes an appeal to private (national?) capital to join in the NDR:

‘The mobilisation of private capital into an NDR struggle should be, which should include sustainable development of the forces of production, the elimination of compradorist, parasitic and other corrupt tendencies, and an active contribution to a strategic industrial policy that overcomes CST sectoral and spatial imbalances.’ (‘The South African Road...’ page 49).

It is indeed consistent to call on the national capital to join this NDR (let’s remember that the SACP does not consider socialism a second stage of the NDR, but rather a continuous process of transformation) in that this process does not seem to challenge the capitalist mode of production. It somehow offers cooperation with the national capital in the transition to socialism in the hope that it eventually will become obsolete. This proposition is as anti-scientific as the ideas of market socialism. One thing is to establish an alliance with the national bourgeoisie in a particular historical period but another is to believe that the national bourgeoisie can be mobilised in the struggle for the construction of socialism. The SACP is certainly being

consistent in upholding the propositions of market socialism. That said it further exposes the class character of its economic programme.

### **Khrushchovism and the road to socialism**

The revision of the Marxist-Leninist approach towards national liberation movements and the concept of national liberation were initially led by Nikita Khrushchov. He put forward the well-known concept of peaceful coexistence that Soviet leaders after him continued to adhere to after Khrushchov was ousted:

‘We may argue, we may disagree with one another. The main thing is to keep the positions of ideological struggle, without resorting to arms in order to prove that one is right’ (‘On Peaceful Coexistence’, Nikita S. Khrushchev, Foreign Affairs, Vol. 38, No. 1 (Oct., 1959), page 5).

This is a thesis in support of the possibility of the peaceful coexistence of two antagonistic economic systems. The resolution of this antagonism occurs via the peaceful competition of two economic systems in which the socialist economic formation would prove its superiority and capitalism, as a result, would collapse in attrition. In this process it is advocated that the socialist and capitalist camps could and should engage in mutually beneficial economic relations:

‘If the principle of peaceful coexistence of states, not in words, but in deeds, it is perfectly obvious that no ideological differences should be an obstacle to the development and extension of mutually beneficial economic contracts, to the exchange of everything produced by human genius in the sphere of peaceful branches of material production’ (‘On Peaceful Coexistence’, page 16).

This statement does not have substantiation in Marxism; it can be understood as a manifestation in the particular historical conditions of the illusion that capitalism will gradually and by means of fair competition become obsolete and give rise to a new era of economic development. This is essentially the other side of the coin of evolutionism and social democratic thinking with regard to the transition to socialism. It is not a question of whether socialist states are willing or not to engage imperialism militarily or whether it is feasible to resolve conflicts peacefully on the basis of a rational discussion. The underlying *ansatz* common to the economic and political theories of right wing revisionism and social democracy is the feasibility of gradualism, as a theoretical substantiation to reformism. As stated earlier, in the context of the national liberation programme put forward by the SACP this entails the belief that the transition to socialism may be fulfilled on the basis of capitalist relations of production. In this sense it is postulated that the capitalist mode of production can be subverted from within by means of coexistence of two antagonistic principles: the capitalist and the socialised. In the context of national liberation movements the principle of peaceful coexistence (whether we are talking about two distinct international systems, or two distinct economic structures within one country) is strongly tied with the thesis of coexistence with the national bourgeoisie. It is therefore not surprising that the Khrushchovite revision of the principles that determine the transition to socialism in general, and in the colonies, in particular, subverts the role of the working class in this process. The Marxist-Leninist approach of alliance with the national bourgeoisie within the national liberation movement and the accomplishments of the tasks of this struggle is such that the working class preserves its leadership and becomes the engine of change. The accomplishments of these tasks

in the post-war periods in the countries of People's Democracies were performed under the leadership of the working class. This entailed alliances with sectors of the anti-fascist national bourgeoisie and large sectors of the petty-bourgeoisie. The transition to socialism and with it, the liquidation of capitalist elements in these countries, was performed relatively painlessly. However, the political transformations in these countries were accomplished with the clear understanding that the capitalist and socialised principles cannot coexist without their inter-relationship getting resolved in favour of one against the other. The outward appearance of peaceful evolution does not necessarily negate revolutionary change. Indeed, the transitional period to socialism in People's Democracies was that of intense transformation. The SACP is proposing a transformation of a different type.

The Khrushchovite concept of peaceful coexistence in the context of the struggle for national liberation replaces the leadership of the working class by the cooperation with the national bourgeoisie under the leadership of the latter. Such is the case of the participation of the SACP in the tripartite alliance by virtue of which the SACP cooperates with the ANC and its allies on the basis of the leadership of the latter. The SACP concept of National Democratic revolution is inherently coupled to the Khrushchovite revision of national liberation, as they are both based on the alleged feasibility of coexistence of the capitalist and socialised principles. Both compromise the leadership of the working class in the national liberation movement, rendering the concept of transition to socialism unrealistic. Needless to say, the pre-socialist tasks of the national liberation in South Africa remain unfulfilled as a result of this lack of principle. This pertains to tasks of the national liberation movement, such as the land reform, or economic reforms to overcome dependence from foreign capital.

### **Socialism of the XXIst century**

The idea of the long term coexistence with the national bourgeoisie, even if that alliance is necessary at a particular historical juncture, and the conception of the feasibility of a fair market are well known in the history of the XXth century and more recent history. These ideas are embedded in Mao's attitude towards the national bourgeoisie and commodity-money relations, or those of the Cuban revolution.<sup>1</sup> Whereas these movements are to be considered glorious examples of the anti-imperialist struggle, these cannot be contemplated as guidelines for socialist construction for the same reason that the ideas of market socialism promulgated by modern revisionism are alien to Marxism. In recent times, the crisis of capitalism has brought to power anti-imperialist elements such as Chavez<sup>2</sup> in Venezuela or Morales in Bolivia. The progressive value of some of their ideas and their refusal to follow some of the neoliberal policies dictated by imperialism is unquestionable. That been said, the ideas of the so-called Socialism of the XXIst century, do not depart from the petty-bourgeois conception of socialism and socialist construction:

'The theoretical and political basis of this socialism can be found in the thought of various Latin American patriots who led the independence struggles and in the thought of some revolutionaries of our day. The former, in their great majority, were bourgeois liberal figures from which one could not draw a socialist doctrine, either because they did not profess socialism or because some of them in that historical period could not conceive of it. To try to find the ideological base of this 'new socialism' in the liberal and republican thought of the beginning of the 19th century is

not only absurd, above all it negates the universal and current validity of Marxism-Leninism, but above all as the revolutionary scientific doctrine of the working class for the struggle for its social emancipation and the building of socialism. In this manner it joins forces with the bourgeois campaign which, for many years, has tried to bury Marxism-Leninism, precisely because of its threat to bourgeois domination.’ (21st Century Socialism, A New Theorisation of Old Anti-Marxist Ideas, Alejandro Rios, Revolutionary Democracy, Vol. XIV, No. 2, September 2008.)

In order to better understand the economic programme of the SACP it would be invaluable to touch upon the basic tenets of what has come to be known as the socialism of the XXIst century. Petty bourgeois critique of monopoly capitalism is not news. That said, as it evolves with the crisis of imperialism it still remains a source of confusion for many honest fighters in the left. The theories of the socialism of the XXIst century complement the bourgeois-Trotskyite critique of the history of the Soviet Union. On the one hand, the bourgeoisie makes every possible effort to misrepresent Stalin’s epoch. On the other hand, these new theories build upon this falsification and come to the ‘rescue’ by providing theoretical substantiation to the concept of democratic socialism, the ‘democratisation of the market’ as a model for the transition to socialism, etc... It is not surprising that the SACP becomes vulnerable to these theories in that this organisation has displayed strong anti-Stalinism in the past and continues to do so today:

‘But there were also many grievous systemic errors and subjective mistakes – dogmatism, intolerance of plurality, and above all the curtailment of a vibrant worker democracy with the bureaucratisation of the party and state. Millions of communists were among the victims of Stalin’s purges.’ (‘The South African Road...’ page 24).<sup>3</sup>

We bring up again the issue of anti-Stalinism because the theories of the socialism of the XXIst century are strongly tied to it. It essentially uses this critique as one of the starting points for its discourse. Let’s listen to what Dieterich has to propose with regard to what he believes is a new model for the transition to socialism. This model is based on a three prong approach on the basis of well-known scheme, namely:

‘The combination of three constituent principles of the Political Economy of Socialism of the XXIst century, the plan and democratic execution (coordinated self-management), the value of labour as a measure to value products and services and, equivalence as a principle for all exchanges, is the essence of the political economy of the mode of production of the Socialism of the XXIst century (A. Peters) and, therefore of the model of transition’ (‘Método de transición al Socialismo del Siglo XXI’, <http://old.kaosenlared.net/noticia/metodo-transicion-socialismo-siglo-xxi>, translated from Spanish.)

There is no need to dwell on this statement for too long, although it is quite relevant to establish a reference point for our discussion. At this point it is evident that Duhring’s proposition of the exchange of equivalents as the basis of the political economy of socialism is pasted here with little modification. This is one of the main theoretical bases for the theories of market socialism. The theory of socialism of the XXIst is essentially an extension in the new historical conditions of the theories of market socialism. The propositions of ‘democratic execution’ and self-management (however coordinated) are not new concepts either. One can argue that the theories

of the Socialism of the XXIst century tries to explicitly argue for the rethinking of the relations of production. Of particular importance is the role of the relations of property in this scheme:

‘This three prong model of transition makes labour exploitation impossible and changes qualitatively the importance of the property of the means of production. The form of property becomes secondary because the democratic planning of the areas and volumes of production, and the determination of the prices and salaries for the value of labour, together with the equivalent exchange, deprive the eventual formal owners – the state, cooperatives, individuals – of the capability of abusing the property.’ (‘Método de transición al Socialismo del Siglo XXI’, <http://old.kaosenlared.net/noticia/metodo-transicion-socialismo-siglo-xxi>, translated from Spanish)

Should it be taken seriously this statement would be a breakthrough in political economy. However, the theoretical substantiation of how a democratic, coordinated self-management of the productive entity renders the main relation of production secondary is nowhere to be seen. One should have faith in an abstract notion of self-management to come to the realisation that such a radical change in production relations can be possible. Let’s decouple the issue into two. Firstly, let’s consider the hypothetical construction of democratic management in a socialist economy. Secondly, let’s consider the proposition that the nationalisation of the means of production does no longer play a role in the transition from capitalism to socialism. With respect to the first issue we have to come back to the question of what democratic management stands for. If we consider the workers control as a materialisation of this democratic management, then we are impelled to state that workers control is inherent to the dictatorship of the proletariat. The dictatorship of the proletariat envisions the participation of the working class in the understanding of the productive process and the overseeing of management. One can argue that this construction is nice theoretically and that its practical implementation reveals a much more complex dynamic. However, what is the point of dismissing the concept of the dictatorship of the proletariat and replacing it with some notion of democratic management when the ultimate intent is the enforcement of the workers control on production? We then need to conclude that the authors of the document are not interested in workers control but in some kind of classless mechanism of self-management. Does this mean that the bourgeoisie, who continues to own the main means of production in the transition to socialism, also contributes to this democratic self-management? We would probably have to answer in the affirmative. In addition, since the relation of property seems to become a secondary issue, the bourgeoisie would still be allowed to remain bourgeoisie without the need for expropriation. It would be interesting to understand how, based on the principle of equivalent exchange, this democratic self-management would compensate the bourgeoisie. Nevertheless, the core of the misconception that leads Dieterich *et al* to conclude that democratic self-management of the productive unit leads to the liquidation of exploitation is rooted in theories of anarcho-syndicalism and, arguably, in the bourgeois differentiation of economic processes into micro- and macro-economics. The bourgeois economist mechanically divides the economic analysis into two. Micro-economics deals with how certain decisions and behaviours affect the balance between supply and demand in the market. Dieterich *et al* seem to believe that by democratising the character of the productive unit, a certain influence will be exerted on the market. In these conditions the interrelation between supply and demand would be pulled towards the ‘fair’ principle of equivalent exchange. With this micro-economic approach the issue of fairness of the market seems to be resolved. This

seems to be the theoretical substantiation of the concept of ‘democratisation of the markets’. The Marxist-Leninist political economy of socialism does not seem to be necessary any more. The notion that the state of the proletariat plans economic processes and distributes social labour according to the needs of society does not seem to be that relevant anymore. In the end of the day Duhring and Dieterich seem to agree on the fact that socialism is essentially a fair market, where labour is exchanged according to the principle of equivalents. In this sense the democratisation of the market, starting from the productive unit in this market would indeed be the appropriate approach.

Let’s deal with the second aspect: the relevance of nationalisation of the main means of production in the light of this new theoretical construction. Indeed, Dieterich *et al* theorise that the relations of property become secondary. That necessarily has severe implications on the practice of economic transformation in the transition to socialism. If the relations of production are secondary then nationalisation of the main means of production is no longer a priority:

‘In this proposal we try to develop an alternative that differs in the following ways from past European Socialism:

1. We do not place the nationalisation of industry at the centre of our concerns; instead we emphasise a positive assertion of the rights of labour to the full value added.

2. We propose a radical restructuring of monetary policy to move the whole economy towards a non-money ‘equivalence economy’ based on working time...

...We envisage the transition to publicly owned enterprises as being a gradual process that will occur after rather than before the abolition of the wages system.’

(‘Transition to 21st Century Socialism in the European Union’, Paul Cockshott, Allin Cottrell, Heinz Dieterich,

<http://www.socialismoxxi.org/Transition%20Program%20english.pdf>)

The demotion of the role of nationalisation of the main means of production in the socialist transformation is explicit here. This is essentially the attitude of the SACP with regard to this crucial element for economic transformation. In doing so, just as much as Dieterich *et al* the SACP is breaking away from the traditions of victorious socialism. Instead, the Marxist-Leninist scheme of nationalisation is replaced by a gradual process of socialisation. It is certainly well outside the realm of Marxism to consider the liquidation of wage labour even before the socialisation of the main means of production.

### **Conclusions:**

The plans for the transition to socialism laid down by the SACP in the form of the NDR are inconsistent with Marxism-Leninism. The SACP’s NDR is influenced strongly by the Khrushchovite revision of the road to socialism, according to which the leading role of the working class in the NDR is compromised and the leadership of the bourgeoisie in this process is implicitly acknowledged. The SACP adopts the right-wing revisionist theories of market socialism that became hegemonic in the Soviet Union following the economic reforms of the mid-1950s. The SACP accepts the bourgeois-Trotskyite criticism of the historical period corresponding to the victory of socialism. The SACP replaces the Marxist-Leninist political economy by the conception of democratisation of the market. This conception is adopted from

the theories of the socialism of the XXIst century. The latter is consistent with the theories of market socialism. According to theories of the socialism of the XXIst century the relations of property become secondary. As a result, the nationalisation of the main means of production is no longer deemed a priority in the transition to socialism.

**Notes:**

1) It is important to note that Che Guevara had different views on the use of commodity money relations in socialism.

2) As the article was being written el Comandante Presidente Hugo Rafael Chavez Frias passed away. We express our deepest condolences to the Venezuelan people. We can only but encourage the Venezuelan people and the leadership of the Bolivarian movement to uphold the anti-imperialist struggle.

3) See also Slovo's analysis of Perestroika and the collapse of the Soviet Union.