

Nationalisation and the Freedom Charter

By Raymond Suttner

Recent calls for nationalisation of mines and expropriation of land without compensation have evoked a sense of anxiety and discomfort in sections of South African society, the international financial sector and observers of South Africa's policy processes.

These ideas are said to be based on the Freedom Charter, adopted by the Congress of the People, on June 26 1955. This was an assembly of people from a range of sections of the population, from across the country. The Freedom Charter was a culmination of a long process of consultation incorporating issues raised by people who wrote on cigarette boxes, scraps of paper, school exercise books and provided statements to 'Freedom Volunteers' who travelled long distances to gather demands.

The Freedom Charter was adopted in the context of the conditions which prevailed at the time. Do these political and economic conditions remain the same today as they were in 1955? Does the Freedom Charter speak to the South Africa of our times as it did then?

The Charter articulated the aspiration for and vision of a South Africa where there would be swift movement to end inequality and poverty. It spoke of the pain, anxiety and indignity suffered by the majority of South Africans, whose citizenship was denied.

Despite the progress which has been made, there remain high levels of inequality, poverty and alienation of people from the formal economic processes. The majority of South Africans live in abject poverty.

In the early 1990s the ANC, with COSATU and the SACP engaged in substantial rethinking on the question of nationalisation. This had been foreshadowed by the ANC constitutional proposals of 1988 which advocated a mixed economy. There were a range of experiences that were drawn on from Western Europe, the former Soviet Union and allied states.

In that period of revisiting of economic thinking it came to be understood that nationalisation had to be handled with care, as is equally true of privatisation.

After careful and intense debate and weighing of policy options, it was felt that South Africa and its people would not be best served by extensive nationalisation. The country deserved a leadership that was able to look into policy proposals beyond their own interests and long held ideological positions.

There is no magic bullet that resolves everything. The tool of nationalisation or expropriation may serve a developmental purpose in certain sectors at particular times. But such a policy may well exacerbate problems not only of business and the existing economic system which requires a measure of certainty; this may also fail the poor.

It may be that calls for nationalisation evoke a sympathetic response from those who experience poverty, marginalisation and continued inequality. But is it the only solution? If

the ANC and its allies decided in the 1990s that this was not desirable for our situation, what makes it so now? What makes us believe that it will work now?

Who stands to benefit most? Would it be the poor? It is public knowledge that certain sections of capital strongly support the call for nationalisation. What drives this? We have seen in other countries how sections of business attach themselves to the ruling political party so that whatever the costs of policy options and choices, they advance their own economic interests.

While these calls are premised on claims of fidelity to the Freedom Charter, they might in fact damage the vision of that document. Whether or not the poor will derive any benefit from proposed nationalisation is not obvious.

If one seeks redress in a responsible manner it cannot be through populism, that is, trying to fire the imagination of people with popular sounding words as opposed to seriously considering the very complex route that may need to be negotiated in order to bring us closer to the society aspired to in 1955.

A stable political and economic order is needed in order to attract investment, strengthen the economy and provide a sustainable basis for any emancipatory programme. If South Africa belongs to all its people, there is a need to carefully balance the wide-ranging interests of all South Africans.

This is a responsibility that has to be shared by all South Africans. Real or perceived indifference to poverty on the part of sections of big capital fuels the call for nationalisation. Panic is not a constructive response

Experience has taught us that not everything in the name of the poor is actually about the poor. Patronage, which subverts democracy and economic development, is not new, but it may now operate on a much wider scale and converges with high levels of corruption. This is not just undermining but it attacks the poor and the hard won democratic gains of 1994.

Fidelity to the Freedom Charter requires an atmosphere of debate, openness, integrity and willingness to avoid short cuts. All 'who love their people and their country', in the words of the Charter must struggle and grapple to achieve this.

Raymond Suttner is the author of *The Freedom Charter* (TB Davie Memorial lecture, UCT 1984) and *50 Years of the Freedom Charter* (with Jeremy Cronin, UNISA Press, 2006). He is a former political prisoner and leader in the ANC and SACP. Currently he is a part-time professor at Rhodes University and emeritus professor at UNISA.