



# NEW AGENDA

SOUTH AFRICAN JOURNAL OF SOCIAL AND ECONOMIC POLICY

## Yanis Varoufakis pays tribute to Ben Turok

***“ I share the horror that Ben and many others felt at the thought that the whole panoply of inequalities, inequities and injustices of apartheid would survive in the shadow of liberation. ”***

Also inside:

Decode: IFAA introduces 'In Defence of Constitutional Democracy' project

Electricity: a 'just' transition must include access to electrical energy for all

Read more: Reports and photos from the second annual Ben Turok Memorial Lecture

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SOUTH AFRICAN JOURNAL OF SOCIAL AND ECONOMIC POLICY

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Cover Photo: Former Greek Minister of Finance and radical economist Yanis Varoufakis  
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# Power politics, and a ruling party at sixes and sevens

By Martin Nicol

It may seem appropriate that an inelegant and non-existent word – “permacrisis” – was chosen as the “word of the year” by Collins, the dictionary publishers. But in fact there is no need for a new, invented word to describe the state of the world as 2022 ends – and as South Africa anticipates the outcome of an ANC elective conference.

The old word is “unease” – reflecting a full mixture of anxiety combined with discontent – which perfectly sums up the current state of affairs, globally, but specifically for South Africa as we teeter along a knife edge. We await the outcome of this crucial moment in the life of the ruling party with anxiety, discontent and widespread disillusion, but also with anticipation. Because that is what South Africans do – they persist determinedly to hope and strive for transformation.

The elective conference comes at a time when party membership is down to 720,000, quite a fall from the 1.2-million member high-point reached in 2010.

Branch delegates make up 90% of the electors and I was invited to serve as the impartial and independent electoral officer for my local ANC branch – the branch of the late Ben Turok and Kader Asmal. The task was to elect the branch delegate and give them a mandate on who to vote for at the conference.

It was an enthusiastic gathering, swapping struggle stories as we waited for four hours to get the quorum of verified members before the meeting could begin. Each nomination was preceded by a motivation on why a comrade was suited to a position. This was done often with vigour and with humour, but always with serious intent.

In past years, these meetings have

been run by a regional official who clearly just wanted to get the voting done. We were lucky that the regional structures in the Western Cape had been disbanded due to in-fighting and disorganisation, so the branch arranged its own process. Nominations were not, of course, entirely open; nominees had to have been paid-up ANC members for at least five years.

All that notwithstanding, *New Agenda* wishes the ANC well for its conference, at which delegates representing 3,942 branches will choose the new 80-member National Executive Committee and the new Top Six (or perhaps Seven – a second deputy Secretary General may be added to the ANC suite).

NA87 was published soon after the conclusion of COP27. In this issue Roland Ngam writes about the need for a “just transition” away from fossil fuels and timeously looks back at the Just Energy Transition Partnership (JETP) between South Africa, France, Germany, the United Kingdom and the US forged at the time of COP26. A year ago this promised an initial amount of approximately \$8.5 billion (currently R140 billion) over the next three to five years. South Africa is wondering what has become of that offer.

Rich countries caused all the climate change problems and reaped all the benefits from fossil fuel combustion. Now they should pay for the poor countries to go green and renewable, and they must arrange compensation for the effects of the climate disasters which often affect the poor on the planet the most. At *New Agenda*, we are all for new, clean energy technologies. But we are conscious of a bigger picture

where the desperate need is also for economic development.

*The Economist* of 5 November 2022 reports: “In the rich world the big energy challenge is how to make the supply cleaner. In Africa the problem is how to generate more energy. Average consumption per person in sub-Saharan Africa, excluding South Africa, is a mere 185 kilowatt-hours (kWh) a year, compared with about 6,500kWh in Europe and 12,700kWh in America. An American fridge uses more electricity than a typical African person. Low energy use is a consequence of poverty; but it is also a cause of it. If Africa is to grow richer it will need to use a lot more energy, including fossil fuels.”

Also addressing the subject of a just transition and what is understood by the term, Viv Crone, in an article firmly based in the technical realities of power generation, argues strongly against a just transition that is only about renewable energy sources instead of broad development to achieve a better life for all.

We reprint an opinion piece about “illegal immigration” by Dave Lewis, originally published in *Business Day*. We have carried several articles and statements in 2022 decrying xenophobia and pointing to the indefensible and repellent policies of the government. Lewis’ argument is that people should register and be recorded – but otherwise let be. “Drop the requirement for citizens of SADC states to apply for asylum seeker or refugee status. Instead incentivise all immigrants to pass through SA border posts, where their entry to the country can be documented.”

Mineworkers from Lesotho, Zimbabwe, Malawi and Lesotho – and

other countries of the region – were allowed to vote in the first democratic elections in South Africa in 1994. This was in recognition of their role as members of our then great trade union movement in defeating the forces of apartheid oppression and racial discrimination. All forgotten or discounted.

Mugabe Ratshikuni introduces an unusual and engaging book on the Fallist Movement – in which participants and close observers write about their personal histories of their experience of student activism in the process of *Chasing Freedom*, which is the title of the book.

Ari Sitas reflects on the “Mandela Dividend”, the idea that the positive consequences of peace and reconciliation would far outweigh enmity. He wrote this before the memorandum of understanding between Denel, “our” arms manufacturer, and the murderous rulers of Saudi Arabia was brokered by President Cyril Ramaphosa in his October state visit to that country. Gone are the days when Kader Asmal chaired the committee that limited foreign arms sales to countries that had no need of them.

Finally, at this time of year, IFAA remembers its founder, the late activist and former MP, Ben Turok, who passed away on 9 December 2019. This year’s annual Ben Turok Memorial Lecture, held at Bertha House in Cape Town on 30 November 2022, was addressed by Yanis Varoufakis, the Greek politician, former Minister of Finance and international academic. This issue of *New Agenda* includes a number of reports from the memorial lecture and a feature on an art exhibition held at the event to commemorate Ben Turok. A transcription of the entire lecture can be found on pg 37. 

## Latest from IFAA: Young Climate Voices



One of IFAA’s projects, **Young Climate Voices** (YCV), is a research-based online platform that provides a space for new voices and intergenerational conversations about the social, economic and political consequences of climate change in Africa.

Funded by the Rosa Luxemburg Foundation, YCV describes itself as “citizen Journalists amplifying the voices of young people fighting climate change in South Africa.” Follow YCV on [Instagram](#).

The latest in the YCV Research Series are three research papers, with a fourth soon to follow.

Dr Elkanah Babatunde warns of the growing crisis of e-waste dumping in the developing world. It is estimated that 75-80% of the e-waste collected in developed countries is transported to developing countries, particularly

those in Asia and Africa, and dumped, often without controls to manage the risks to human life and the environment in those countries.

The most affected demographic includes children, pregnant women, the elderly, people with disabilities, workers in the informal recycling sector, and waste scavengers.

Élitz-Doris Okwudili writes about the severe impact of the increasingly frequent and devastating cyclones on the south and east coast of Africa, specifically Mozambique, Malawi and Zimbabwe. “Cyclones are the largest natural disaster to hit southern Africa in at least 20 years and have had a significant impact on millions of people,” she writes, adding that worst affected are children, the elderly, the sick and disabled.

Cyclone Idai, which made landfall in Mozambique on 4 March 2019, unleashed torrential rains and violent winds that caused flash flooding, hundreds of fatalities, and extensive crop and property damage. Nearly 2.2 million people in

Mozambique, Zimbabwe and Malawi were impacted.

In January 2022 Cyclone Ana killed at least 38 people in Mozambique, displaced 49,214 people in Malawi and caused havoc in six provinces of eastern Zimbabwe. The focus for these countries, and others seriously impacted by climate change, is to urgently develop effective adaptation strategies.

Gemma Field from Cape Town reviewed the growing threat of hunger insecurity in South Africa, where it was reported in 2020 that one in four children is chronically malnourished to the point of being noticeably stunted.

In her paper she warns that agribusiness exerts “a stranglehold on the nation’s food industry: having controlling interests throughout the supply chain means that they can dictate the terms of the market, and they use this to squeeze out small farmers, obstruct new entrants into ‘their’ markets and, worst of all, collude to raise the prices of essential foodstuff”.

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# Welcome to the era of financialisation!

Global recycling of wealth to the US, transfer of property rights from the many to the few...

By Zunaid Moolla

Zunaid Moolla is the Director of the Institute for African Alternatives. He is an economist who specialises in economic development, poverty alleviation and alternative economics.

*In his presentation to the Ben Turok Memorial Lecture, the guest speaker, former Greek Finance Minister Yanis Varoufakis, delivered a broad account of the crisis-ridden world economy post the 2008 crash. ZUNAID MOOLLA reports on Varoufakis's warnings about the impact of austerity measures, global recycling of wealth from other countries to the US and the transfer of property rights from the many to the few.*

Two events in the financial sector that had catastrophic consequences for the world economy were the crash of the stock market in 1929 and the sub-prime mortgage crisis in 2008. What both crises had in common was the collapse of financial systems (with a steep drop

in the value of shares; widespread bankruptcies of businesses, banks, investment houses and individuals; and a halt in the circulation of money).

But what was different about the two crises? In 1929, banks were allowed to go bankrupt; in 2008, billions of dollars and euros were pumped into the system to keep banks afloat. Why?

This was one of several hard-hitting questions raised by Professor Yanis Varoufakis, the former Finance Minister of Greece, in his online presentation to the second annual Ben Turok Memorial Lecture on November 30<sup>th</sup>. More than 100 people attended the lecture at Bertha House in Mowbray, Cape Town and dozens more joined online.

The lecture was hosted by the Institute for African Alternatives (IFAA) in partnership with the University of the Western Cape's Institute for Social Democracy, the Rosa Luxemburg Foundation, Progressive International, Surplus Radical Books and Common Propaganda. The annual event pays tribute to Professor Turok who passed away on 9 December 2019 after a lifetime of fighting apartheid oppression. It is

aimed at keeping alive Turok's legacy, based on economic justice, socio-economic rights, redistribution and political transformation.

In his lecture, titled *Africa in the face of the New Cold War and the West's New Colonial Escapade*, Prof Varoufakis elaborated on the consequences of austerity measures and the role they play in bringing about "the new cold war".

In 2015, at the peak of Greece's post-2008 financial woes, Varoufakis took a principled stand against the bailout offered by the IMF, the European Central Bank and the European Commission which imposed brutal austerity measures on his country. He resigned after six months as Minister of Finance and three years later returned to politics with the launch of his own party, MeRA25, which he described at its launch as an alliance of "people of the left and liberalism, greens and feminists".

Prof Varoufakis started his lecture with a critical analysis of austerity, the favourite policy tool of neo-liberal economics. He pointed out that when governments introduce austerity, they do so on the pretext that they

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**... instead of people serving an empire of machines and money, let machines and money become the servants of our people.**

have to curb expenditure in order to contain the deficit. What they don't acknowledge is that the loss resulting from the destruction of livelihoods is often greater than any lowering of the deficit. By cutting public expenditure, Prof Varoufakis said, government expenditure will go down but, at the same time, national income will shrink. Tax revenue will shrink faster than government expenditure so the deficit continues to increase. For this reason, “austerity is bound to be self-defeating”.

He illustrates this with what happened to Greece in the financial crisis of 2008. The Structural Adjustment Programme (SAP) imposed on Greece, which was tougher than anything imposed on Africa by the World Bank, resulted in a 28% fall in its GDP. Other countries where austerity has been introduced such as Britain and Sri Lanka show the same outcomes.

Varoufakis sees the destruction of the commons and the wholesale transfer of assets – such as water, ports and airports – as fiscal war against the weakest members of society, which he describes as “a form of colonialism”. The whole idea is to make debt unpayable because it is a weapon that allows the transnational oligarchy to get their hands on public and private assets. The impact of austerity is the spread of



*Director of IFAA, Zunaïd Moolla, opened proceedings, Photo by Sedick van der Schyff*

right-wing ideologies and fascism from the Global South to the Global North. The popularity of political leaders like Trump in the USA and other right-wing politicians in Europe is the result of people who feel humiliated and deprived of “the good life.”

The dollars earned by countries from their exports flow back to the USA where they are invested in financial markets and not in industries. For Prof Varoufakis, these net exports of money to the USA is the new colonialism – the global recycling of wealth from other countries and the transfer of property rights from the many to the few. This is also financialisation in action.

Are there solutions? For Prof Varoufakis there are two tasks that we must undertake: firstly, to re-create the non-aligned movement of the 1960s and to re-purpose the World Bank backed by a digital currency issued by a re-purposed IMF. He said 10% of global GDP needs to be invested in developing green energy, public education, public health and poverty alleviation.

Secondly, to end the tyranny of capital over people, “instead of people serving an empire of machines and money, let machines and money become the servants of our people”. This can be achieved if we deny banks the monopoly over people's transactions. **NA**

# Meet the guest speaker

Yanis Varoufakis is a member of the Greek Parliament and parliamentary leader of MeRA25, the Greek political party belonging to DiEM25 – the Democracy in Europe Movement, which he founded and is Europe’s first transnational pan-European initiative.

In his own words, Greek Member of Parliament Yanis Varoufakis was “thrust onto the public scene by Europe’s inane handling of an inevitable crisis”.

In January 2015 he was elected to Greece’s Parliament with the largest majority in the country and served as Greece’s Finance Minister between January and early July of 2015.

During those tumultuous six months he faced down the world’s most powerful institutions – the International Monetary Fund, the European Commission and the European Central Bank, three institutions that were determined to impose upon the poorest of Greeks the harshest austerity in history. Varoufakis resigned the finance ministry when he refused to sign a loan agreement that perpetuated Greece’s debt-deflationary cycle.

A year later, Varoufakis co-founded the Democracy in Europe Movement (DiEM25) and two years later, in 2018, he launched its Greek electoral wing (MeRA25). Also in 2018, together with US Senator Bernie Sanders, he established the Progressive International – a global movement whose affiliated members exceed 200 million people from around the world. He has also travelled extensively giving talks and



Photo courtesy of DiEM25

participating in various activist events and projects.

Varoufakis read mathematics and economics at the Universities of Essex and Birmingham and subsequently taught economics at the Universities of East Anglia, Cambridge, Sydney, Glasgow, Texas and Athens where he still holds a Chair in Political Economy and Economic Theory. He is also Honorary Professor of Political Economy at the University of Sydney, Honoris Causa Professor of Law, Economics and Finance at the University of Torino, Visiting Professor of Political Economy at King’s College, London, and Doctor of the University *Honoris Causa* at the University of Sussex.

He is currently completing a new book entitled *Technofeudalism: Capitalism’s stealthy successor* (to be published by Penguin in the UK) and is the author of a number of best-selling books including *Another Now: A novel* (Penguin UK & Melville House US); *Talking to My Daughter About the Economy: A brief history of capitalism* (London: Bodley Head, 2017); *And the Weak Suffer What They Must?: Europe’s Crisis and America’s Economic Future*

(London: Bodley Head, 2016); and *Adults in the Room: My struggle against Europe’s Deep Establishment* (London: Bodley Head, 2017).

In a 2019 review of *Adults in the Room* by former IFAA founder, the late Professor Ben Turok, he was described as “outspoken on the condition in which Greece found itself in relation to Europe.”

Prof Turok wrote in the review published in *New Agenda* issue 72: “The troika [the European Commission, the European Central Bank and the International Monetary Fund] was determined to force new loans on Greece, which was unaffordable, so Varoufakis fought a sustained battle for debt restructuring to give Greece some breathing space, which was vigorously denied. What the troika wanted was to impose further austerity in the name of ‘restoring competitiveness’ and attracting investment from other countries.

“Varoufakis engaged in intense discussions with the troika across Europe during which he recorded many conversations. This provides the meat of the book which must be unique in international finance.

“What he reveals is that the troika actually did not want to be repaid as much as they wanted to teach Greece, and indirectly Spain and others, a lesson about pursuing independent policies and to insert EU officials in the Greek government to take control.”

Varoufakis has also published *Europe, Austerity and the Threat to Global Stability* (London: Bodley Head and NY: Nation Books, 2016); and *The Global Minotaur: America, Europe and the Future of the World Economy* (London: Zed Books, 2011, 2015). His academic books include *Economic Indeterminacy* (London: Routledge, 2014); *Game Theory: An introductory Text* (London: Routledge, 2003), *Foundations of Economics* (London: Routledge, 1998); and *Rational Conflict* (Oxford: Blackwell, 1991).

## Remembering Ben Turok

During his 70 years of activism, Turok was harassed, banned, detained and imprisoned for attempted sabotage. When he was placed under house arrest after his release from jail he fled South Africa by crossing the border on foot into Botswana and spent the next 30 years in exile, before returning home after the unbanning of the ANC.

A former MP in South Africa's democratic parliament, an economist who helped write some of the economic clauses in the Constitution, a trade unionist, a much-published academic, an intellectual, political analyst, true struggle stalwart and an activist, Ben Turok's voice continues to be heard in the demand of millions of South Africans for nothing less than a better future for all.



# ‘Let’s join forces. Let’s come together. Let’s unite in a common struggle,’ to make this world a better place for our children and their children too

*Institute for African Alternatives board member, former head of the University of Cape Town sociology department, poet and activist ARI SITAS, who introduced the guest speaker at the Ben Turok Memorial Lecture, shares his thoughts, impressions and observations, and his selection of stand-out quotes from the lecture.*

**Y**anis Varoufakis presented a compelling argument around the need for a Progressive International if we are to save this shrinking planet and stop the New Cold War:

I trust, and I submit to you, that progressives in South Africa, in Europe, in India, in China, in the United States, across the world have a task. We have a task to revive the idea of a non-aligned movement struggling to create a new international economic order.

In the course of his lecture, he outlined what he called the “economic triangle” that defines our contemporary life chances. The three “aspects” or sides of this triangle are: firstly, property rights; the second aspect comprises investment and industrial policy, strategy and practice; and the third side is austerity.

“Austerity is ... an utterly mad, sad and bad policy that has never worked and can never work.” Yet, the powers-that-be in the world economy persist with it from Rishi Sunak’s Britain to the “salvaging” of Sri Lanka through an austerity “rescue” plan.

Austerity, he argued, is not the result of the “stupidity” of the policy teams in multilateral institutions “as they know exactly what they are doing”. It is a fiscal class war against the ‘many’ in the interests of the ‘few’..

That is a weapon by which the very, very few, the transnational oligarchy across borders can get their hands on public and private assets that are lucrative and have a long-term capacity to produce rents for that privileged oligarchy.

He used Greece’s experience as a major example: “Why did they impose austerity here in Greece? Because



*Ari Sitas introduces the guest speaker, Photo by Sedick van der Schyff*

it was their way of destroying the commons, destroying the trade unions, destroying the solidarity between the generations of the grandfathers and the grandmothers on the one hand, and the grandchildren on the other, and succeeding in transferring every asset owned by the state to foreign multinationals and foreign funds, funds based in Delaware, in New Jersey, and the Cayman islands, that are taking over most of our cities in terms of repossessing private dwellings as well as all our airports, all our ports, all our infrastructure,



Source, Wikimedia Commons, Photos by Olaf Kosinsky

our water, even the sun in terms of solar panels that are being installed on agricultural land that has been confiscated from bankrupt farmers”.

This, he argued, is “a (new) form of colonialism ... Greece was dealing with creditors who don’t want their money back. What they want is the Greek debt to remain unpayable. In 2010 this place here, Greece, went belly up. We became utterly and irretrievably bankrupt as a state, the banking system, the private sector, the whole country. We had a budget deficit of 15% of GDP. We had a debt that could not be repaid, the interest rates that we could borrow out as a state had gone through the roof and the GDP was in freefall. The great and the good International Monetary Fund came with a template of a solution which they started developing in Africa in the 1970s. They brought the structural adjustment programmes to Greece in 2010.

“Some people, like myself, were warning them that they are going to make a bad thing worse, that this is no solution. They came, and they imposed massive austerity, the largest austerity in the history of capitalism, including Africa.”

Greece was a laboratory, in the same way that Africa was a laboratory in the 1970s and early 1980s for structural adjustment programmes. Greece was an experiment in what Varoufakis called “socialism for the bankers”. They saved the big banks and the bankers and the oligarchs with public money, while at

the same time they transferred property rights and assets to the few.

It was this combination of fiscal and monetary policy, socialism for the bankers and austerity for everyone else, that created the most profound shift in property rights from hundreds of millions of Europeans to very, very few institutional investors in Germany.

What is the fallacy then, that makes austerity for the many desirable? Varoufakis’s point is elegantly simple: “what applies to you and me as individuals, to small business, or actually any business, does not apply to the economy at large: And what ... is that? Well, that if the going gets tough you need to tighten your belt. You and I need to do so if at the end of the week our revenues or our income falls short of our expenditure. It is madness to continue spending as much as we did before because that means we’ll simply get into debt and our creditors are going to throttle us. So we need to tighten our belts.

“Parsimony at the individual level is, of course, a virtue. But when you project from the level of the individual, the firm, or the small entity to the macro economy you fall into the trap of what Keynes referred to as the fallacy of composition.”

At the macro-level, “if the state tries to do that, in the midst of a crisis, you have a recession. In that recessionary

period the state, because it is going into the red, the deficit of the government budget is increasing, which is natural in a recession because when private expenditure falls, the tax treaties of the government fall, and at the same time, maybe because there is an uptake in unemployment, for example, the government needs to pay more in unemployment benefits, health benefits, social benefits to the poor, to those who are suffering as a result of the recession, so the budget deficit increases.

“If the government tries to cut it by cutting public expenditure it will be cutting off your nose to spite your face, unlike in your [personal] situation or in my situation, where our own budget deficit requires that we cut expenditure. If the government does that, what will it be doing? What it will be doing is that during a period of shrinking, private expenditure, public expenditure will also be shrinking.”

Part of the contemporary malaise (Varoufakis said he refuses to call it neoliberalism because it is neither “new” nor “liberal”) of financialisation has to do with the collapse of the Bretton Woods system that facilitated a golden era of accumulation after the Second World War.

He asked why it was “blown up”? His answer: “because the whole system was predicated on the assumption that the United States of America would be the surplus country, the country that had a trade surplus with the rest ➤

“

**We have a task to revive the idea of a non-aligned movement struggling to create a new international economic order.**

of the world, which meant that that surplus would allow for the dollars the United States had shared with the rest of the capitalist world to flow back into the United States, because when the Americans were selling more stuff to Europeans, Japanese, Africans than they were importing from them there was a constant stream of dollars made available to the rest of the world, flooding back into the United States. So American net exports were flooding the world and dollars were returning, being repatriated, into the United States. That was the logic of the Bretton Woods system, the logic of the golden era of capitalism in the fifties and sixties. The Bretton Woods system was reliant on the surplus to survive.”

But here is the rub: “American policymakers chose not to tighten belts. They did not do austerity! The hub of capitalism and the gurus of high-end capitalism understood that austerity was a failed policy, and they never implemented it in their own country. They did the opposite. They hit the accelerator pedal on their deficits. They increased their deficits.

“After the mid-1970s you have the net exports of Germany, of Italy, of France, of Japan, of China, of South Africa moving into the United States. At the same time 70% of the profits that the Italian, German, French, South African,



Source, Wikimedia Commons

Saudi Arabian, Korean, Japanese and later Chinese capitals were making were going also into the United States to be invested in Wall Street, and that created financialisation. When you give bankers in Wall Street a few million dollars they find ways of multiplying them. It’s called financialisation, through derivatives...through very complicated forms of debt and complicated self-referential bets about bets. This was the financialisation drive. That bubble, however, that tsunami of financialised money that was turbocharged into the stratosphere by Wall Street and the city of London crashed and burned in 2008.”

The consequence of this was two-fold: socialism for the bankers and fiscal class war on the poor on the one hand, and the rise of authoritarian and populist movements on the other.

Varoufakis elaborated on the first: “The G7, the G20 got together in London in April of 2009, and under the leadership of Gordon Brown who happened to be the UK’s Prime Minister at the time, and for the first time, and probably the last time, they managed to actually coordinate their policies. They printed something between \$15 trillion and \$25 trillion to the flow of finance,

[to] the financial institutions that had all gone bankrupt in 2007/2008.

“That’s what I call socialism for the bankers ... That’s the difference between 2008 and 1929. They were very similar crises, except in 1929 the central banks did not bail out the bankers. The bankers and the banks were allowed to go bankrupt but in 2008/2009 the bankers were saved, were bailed out along with their banks using state money.”

What disturbed the landscape though was the rise of China as the second largest economy in the world, threatening to overtake all, which animated Trump to declare an economic war against the eastern “giant”.

“Trump is not a warrior, Trump didn’t start a war, unlike Democrat or Republican presidents did before him, but he started a cold war, a commercial war with China.”

The second consequence was socio-political: “In other words, you have the popularisation of whole segments of the population of Britain, the United States who get radicalised in the wrong way because of the failures of the Left, and they start falling for racists, Trumpists, fascists. Italy now has a fascist government, as we speak. It is preposterous.



Source, Photo by Sharon Molerus

“

**[Greece] ... had a debt that could not be repaid, the interest rates ... had gone through the roof and the GDP was in freefall.**

“As I mentioned before, the first impact of austerity in my country was the rise of a Nazi party, from nowhere. My country is now a penal colony, is a debt colony of Frankfurt, of Brussels, of Washington, DC, in a way that it never was [before], even under the Ottoman Empire.”

Varoufakis then turned to what he termed the “new Cold War”. How did it begin? “It began with Donald

Trump. We already have seen, I hope, that Donald Trump is a symptom, like Meloni in Italy, like Brexit in Britain, like the fascists, the Nazis, the golden dawn Nazis here in Greece. They are a symptom of the crisis that started in 2008 and proceeded with socialism for the bankers and austerity for everyone.”

The result, he said, was: “humiliated people, people wallowing in hopelessness watching a huge amount of money being minted on behalf of the very few, while they are subjected to the class war that is known as austerity with property rights being taken away from them, and their commons being plundered all over the world”.

That in turn led to the rise of widespread anger, “especially when we of the Left have failed to provide an internationalist agenda for change following our 1991 defeat. The Left internationally suffered a major defeat in 1991.”

He ended by stating that the task of the Progressive International

and the broadest possible Left is to immediately deal with the climate crisis: “(which) is creating a very bleak set of circumstances for our children and their kids.

“If we are going to avert catastrophe, (we have to) divert 10% of global GDP to green energy and the green transition. This new cold war and the increasing use of austerity for the purpose of shifting property rights from the many to the few globally is creating a fundamental instability and a set of obstacles for countries like South Africa, countries like Greece, countries that are losing any power to reproduce the circumstances of generating their own conditions for shared prosperity.”

Finally, his plea resonated loudly: “Let’s join forces. Let’s come together. Let’s unite in a common struggle, not just for the survival of humanity but for the chance of giving every child that will be born tomorrow in Africa, in Asia, across the world a chance for a successful life”. **NA**

# On display:

## A vision for a new international economic order

'Struggle against colonialism ... for climate justice ... against imperialism,' 'cancel the debt,' 'we aspire to a world that brings human society into harmony with its habitat,' 'no more martyrs - free Palestine, stop Zionism', 'no to the boundaries between us'.

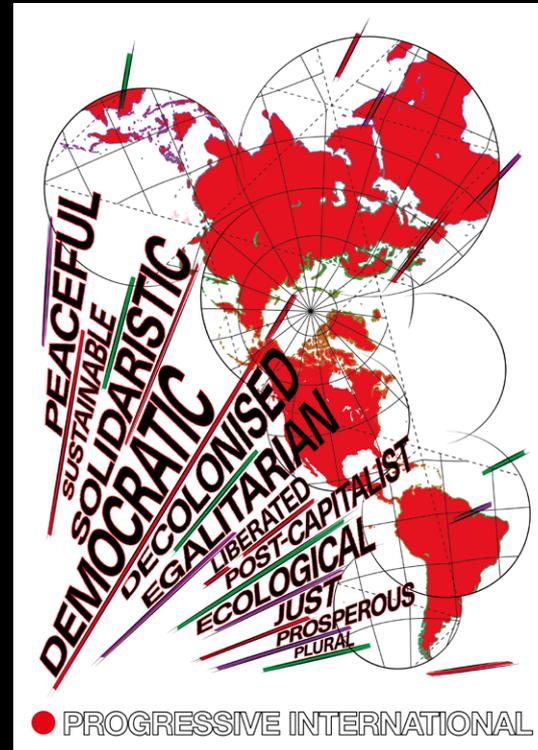
The message of the second annual Ben Turok Memorial Lecture was echoed in a poster exhibition, held at Bertha House in an adjacent hall. Most of the posters were supplied courtesy of the Progressive International (PI), which is a global movement formed in 2018 by Yanis Varoufakis, together with US Senator Bernie Sanders.

Today PI has more than 200 million affiliated members from trade unions, political parties and civil society movements around the world.

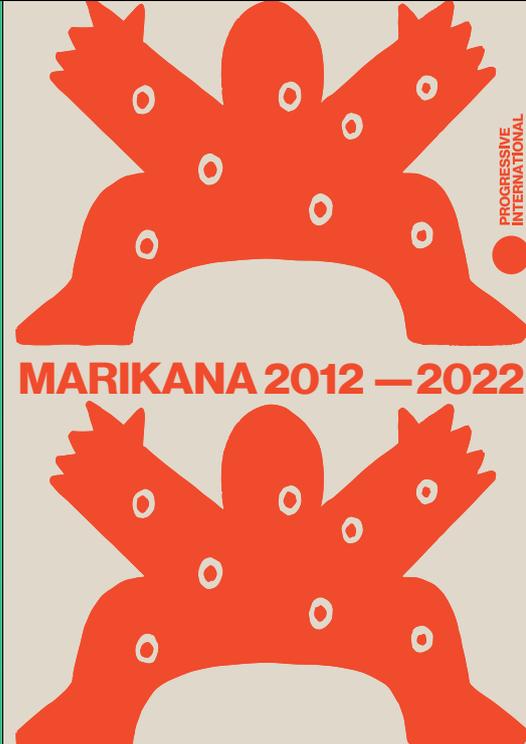
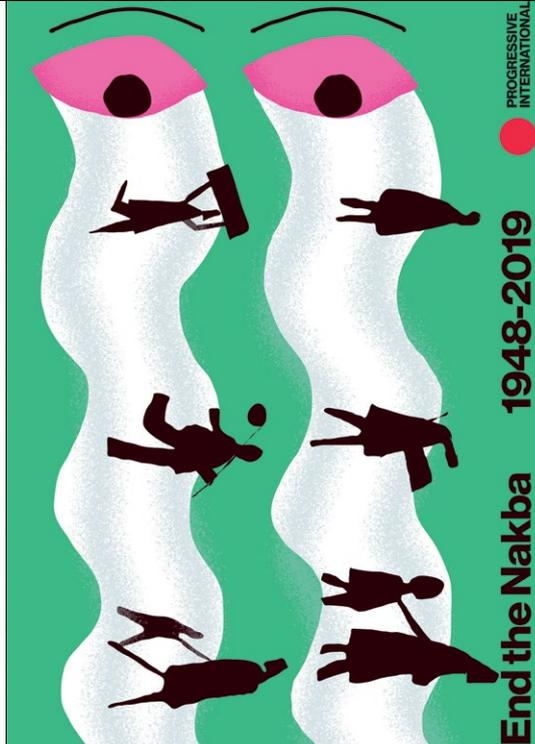
PI's Art of Internationalism project is a platform for progressive artists around the world to explore the role of art and culture in imagining and shaping 21st century internationalism.

The exhibition, entitled "Friendly Propaganda", is a collaborative concept developed by Johannesburg art collective, Friendly SA, and Cape Town's Common Propaganda non-profit group. The artists aim to reclaim the "power" of propaganda to spread messages of solidarity through friendly but provocative art.

*The second annual Ben Turok Memorial Lecture was a collaboration between the Institute for African Alternatives and our partners, the Rosa Luxemburg Stiftung, the Institute for Social Development at the University of the Western Cape, Surplus Radical Books, Progressive International and Common Propaganda.*

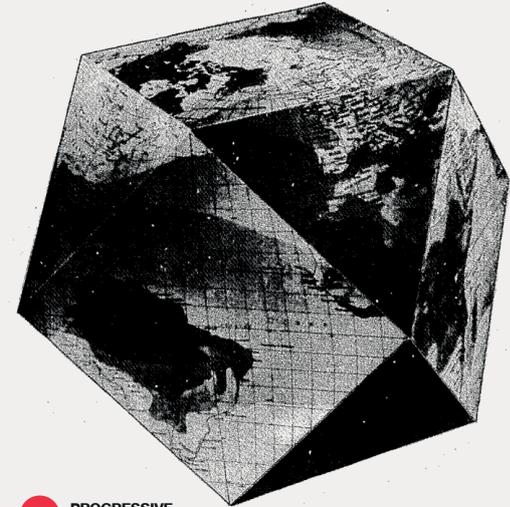


WE ASPIRE TO A WORLD THAT IS PEACEFUL.  
WHERE THE VIOLENCE OF POWER IS REPLACED  
BY THE DIPLOMACY OF PEOPLES.





# DECOLONIZE



PROGRESSIVE INTERNATIONAL

# EVERYTHING

  
A struggle against colonialism.

  
A struggle for peace.

  
A struggle for climate justice.

  
A struggle against imperialism.

  
A feminist struggle.

**Western Sahara Will be Liberated!**

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# BROTHERS & SISTERS IN MARX

# CANCEL THE DEBT



PROGRESSIVE INTERNATIONAL

PROGRESSIVE INTERNATIONAL



## WE DISCARD OUR BOUNDARIES

# NO MORE MARTYRS



FREE PALESTINE

STOP ZIONISM

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# There must be justice in 'just transition'?

The goal of energy security must be economic development  
for all

By Viv Crone

Viv Crone is an Electrical Engineer with 50 years of experience in high technology product design and project management. He is a registered Professional Engineer, Fellow of the South African Academy of Engineering (FSAAE) and the South African Institute of Electrical Engineers (FSAIEE) and served as a sessional lecturer at Wits University for 10 years. Currently he is the sole proprietor of VJC Consulting.

*South Africa's electricity crisis will not be resolved by simply complying with its COP obligations and shifting to renewable power generation – while protecting the employment of coal and power station workers. VIV CRONE explains in detailed, but understandable terms that 'fixing' the electricity system will be a long and very complex process of reaching consensus on the 'mix' of energy sources that can deliver a stable and accessible electricity supply.*

## **THE ELECTRICITY CRISIS**

For the past 14 years, South Africa has been experiencing a growing electricity system crisis. This has manifested itself as increasing periods of load shedding, huge Eskom debt and above inflation

increases in the price of electricity.

Many "solutions" have been proposed, with the main emphasis being on replacing existing fossil-fuelled facilities with "renewables". The main argument for embracing this solution is the view that renewable generated energy costs less than fossil-fuelled energy, has far lower levels of carbon emissions and is the path chosen by many developed countries.

However, South Africa is unique in several ways. Although it is the most developed African country and has an established industrial capacity, it has one of the highest unemployment rates in the world with almost half the adult population living in poverty (StatsSA, 2019).

Instead of an economic growth rate of at least 5% to alleviate poverty, the current rate is negative, driven by several factors, of which continual load shedding is the most significant.

In 2022, by the end of October, an estimated 7,500 GWh of electricity or ~3.5% of the total electricity demand was unserved i.e. not supplied due to load shedding. This has resulted in a

reduction of GDP by ~1.4% so far this year based on an Eskom commissioned survey (Eskom, 2021).

The Energy Availability Factor (EAF) of Eskom's coal fleet has been steadily deteriorating over recent years and is currently below 60%. Without a proper electricity system, the South African economy has no hope of being able to grow sufficiently to reduce and alleviate the poverty suffered by its people.

## **THE GOAL**

A just energy transition should benefit the people of South Africa as a whole and not only the workers and communities involved in the energy industries. Our goal should be to ensure that we have an effective electricity supply system, which is a critical key enabler for a country to develop and prosper. To be effective, the electricity supply must be reliable, affordable, minimise environmental damage and be accessible to all citizens.

A move away from the use of coal as a primary fuel is dictated, but this should not further disadvantage the country.

## THE CURRENT ELECTRICITY NETWORK

The current electricity network covers the country and supplies the majority (>80%) of electricity from an Eskom coal-fired fleet of power stations in the northern part of South Africa, with contributions from nuclear (~5%) and IPP renewables (~6%).

Eskom's daily electricity demand fluctuates considerably, peaking in the morning as people become more active and industry starts up and again in the evening as people go home, prepare food and heat their homes. The daily baseload level also varies between 18GW and 21GW and changes slowly depending on the day of the week and the weather.

To build up generating capacity to meet the demand at any time is done by bringing resources that are available online, in increasing cost order, as the demand increases and releasing them as the demand wanes.

The total current installed capacity, including both variable and dispatchable (these terms are explained below), from all generating resources in South Africa is over 58GW, however on any given day up to 20GW of baseload supply may be out of service.

Coupled with the intermittency of the variable renewable energy, pumped storage resource status and availability of diesel for the gas turbine peaking resources, this determines the available electricity generating resources on an ongoing basis.

## ELECTRICITY SYSTEM REQUIREMENTS

As the Nuclear Energy Agency has stated, "The continuous availability and affordability of energy and, in particular, electricity is an indispensable condition for modern societies" (2018). To be able to supply the required electrical energy and meet the power demands of a country, the makeup of generation plant available must first have the capacity to generate the ongoing amount of energy

Table 1: Eskom's relative costs of generation resources

Description	Energy Source	% of Total Energy Cost	% of Total Energy	Cost per kWh
Baseload	Coal	64.6%	84.3%	R0.40
Baseload	Nuclear	1.0%	5.3%	R0.10
Peaking	ESKOM Open-cycle Gas Turbines (Diesel)	4.0%	0.7%	R3.12
Peaking	IPP OCGTs (Diesel)	3.4%	0.4%	R4.11
Renewable	IPP	23.0%	5.9%	R2.03
Imported Energy		4.0%	3.4%	R0.60

Source: Eskom Data Portal, 2022

Figure 1: Total installed capacity (MW)

Type	Capacity [MW]
Coal	45,618
OCGT	3,449
Wind	3,322
Hydro	2,290
Nuclear	1,860
Solar PV	1,717
Solar CSP	400
Biomass	71
Landfill gas	26.5
<b>Total Capacity</b>	<b>58,753</b>

Source: Wikipedia list of South African power stations

required and second be able to deliver it at the required power level when required. This is achieved by having a mix of generation technologies.

The fact that the electricity costs in the Eskom electricity system vary by a factor of over 40 times from the lowest cost (nuclear) to the highest cost (3<sup>rd</sup> party gas turbines) is indicative of the realities of the technology mix and complexity of the system.

The increasing penetration of variable generation technologies, such as wind and solar PV, significantly changes the overall operational requirements of the electricity system. From a system that

has a large, generally inflexible baseload component, future requirements will have to include increased flexibility, additional capacity to make up for intermittency of renewables and reduced carbon emissions.

To be practical, affordable and have an acceptable level of risk, this change must take place with careful system planning over a period of tens of years as existing generation facilities that are decommissioned are replaced and additional capacity added to meet the country's growth requirements. This change must be achieved with the lowest risks possible, using well-established and proven technologies and methodologies. High-risk, leading-edge solutions that risk the future failure of South Africa must not be considered.

## Electricity supply system complexity

A country-wide electricity supply system is an extremely complex system and is made up of several technologies that ultimately form a "chain" of electricity supply to the end-user.

Focusing on the generation part, a critical characteristic of an electricity supply system is that it must meet the changing demand on a second-by-second basis. This is achieved by the instantaneous conversion of stored energy in many forms into electricity, as it is required, using different generation technologies.

Electricity generation sources fall ➤

“

**A move away from the use of coal as a primary fuel is dictated, but this should not further disadvantage the country.**

into two main categories. Those whose energy outputs are “dispatchable” and those that are intermittent or “variable”. A dispatchable energy source is one whose output can be increased or decreased depending on the current demand. These sources include thermal and nuclear power stations and open-cycle and combined-cycle gas turbines, energy storage systems and hydro power.

The rate of increasing or decreasing output, or ramp-rate, is an important parameter in the overall control of an electricity network. Existing baseload thermal and nuclear power stations have ramp-rates of around 25-30% per hour. More rapid changes in demand are met by “mid-merit” and “peaking” generation facilities. These cost more to run but have much higher ramp-rates. Some gas turbines can ramp from zero to full output in less than five minutes!

Energy storage technologies such as pumped storage hydro and batteries can react very quickly to demand changes but have a limited endurance.

Renewable energy sources such as solar PV and wind are variable and not dispatchable and the weather-dependent energy generated can be used if or when it is available. The remaining or residual load must be covered by dispatchable generation technologies in the electrical system.



Source: Waldo Swiegers

The above components of the electricity system have typical lifetimes of 15 to 50/60 years depending on the technology. Thus, technology decisions made have long-term consequences and cannot be rapidly changed or replaced.

The system requirement effects of increasing renewable penetration into an electricity system vary. With a low penetration of variable renewable generation the gap between the demand and the power supplied is met or filled by dispatching the required power and following the load. This load-following requirement is relatively slow and can be met by normal existing coal-fired or nuclear “baseload” power stations. When variable renewable power is a much larger part of the generation resources and the gap between the renewable power and the total power demand is generally smaller but much more variable, filling the gap between the renewable energy power and the demanded power requires power to be supplied from dispatchable sources that can follow the more rapidly changing demand.

South Africa’s existing coal-fired fleet was not designed to operate in this new mode and will have to be replaced over time by more flexible dispatchable technology. This change can only be economically and feasibly achieved over the medium to long term.

### **SOME CHARACTERISTICS OF VARIOUS ESTABLISHED GENERATION SOURCES**

Electricity can be generated using many different sources. Each of these technologies has specific characteristics, which make them more or less desirable for a particular country. A sensible “mix” of technologies is necessary to create an effective electricity system so that energy security, flexibility, affordability and environmental criteria are optimised.

### **DISPATCHABLE TECHNOLOGIES**

There are two dispatchable technologies with reduced emission (compared to coal) that are currently discussed as part of South Africa’s future energy structure. These are natural gas and “green” hydrogen.

### **Natural gas**

There have been recent sizeable gas field discoveries off the South African west and southern coast with an estimated life of up to 30 years. These include the Brulpadda and Luiperd finds off the coast of Mossel Bay and the Ibhuesi gas field north-west of Saldanha Bay. In addition to these, discoveries off the coast of Mozambique have an estimated economic lifetime of up to 45 years.

Using natural gas to generate electricity produces about 50% less emissions than coal over the lifetime of the generating plant (DBCCA, 2011). Using this resource in conjunction with the well-established open-cycle and combined-cycle gas turbine technology could well provide a viable transition fuel away from coal, increasing flexibility and reducing emissions substantially.

### **‘Green’ hydrogen**

There has been much recent publicity about using hydrogen produced from excess renewable electricity as a source of fuel with either much reduced or no carbon emissions. The hydrogen could be converted back to electricity on demand using fuel cells or turbines.

A major challenge is the round-trip efficiency of this hydrogen cycle, which is currently between 18% and 46% (S&P Global, 2021), which makes it uneconomical at present. The “hydrogen-economy” may provide part of the electricity grid of the future, but it is still developing and not ready to be a part of a low-risk electricity system solution.

### **AN ELECTRICITY SUPPLY SYSTEM IS AND ALWAYS WILL BE A COMPROMISE**

The ideal electricity supply system would be able to immediately meet the changing electricity demand, occupy no useful space, have very high efficiency, have very low costs, and produce no pollutants or environmental damage. However, engineers who are responsible for the design and successful implementation of an electricity system must find an acceptable compromise between the laws of physics, which are immutable, and practical constraints imposed by finances, environmental damage and the welfare of society.

This means that any solution to the current electricity crisis will be a compromise, and decisions regarding the extent of environmental damage, how money will be available to

implement and operate the system and the effects on society such as unemployment, poverty alleviation and general welfare will have to be made.

### **ELECTRICITY REQUIREMENTS TO 2030**

#### **Forecast demands growth**

Recent electricity demand from Eskom shows a daily power requirement of between ~22GW and a peak of ~35GW (Eskom, 2022). The current plan for South Africa’s electricity system is the 2019 Integrated Resource Plan (IRP 2019) (RSA, 2019), which is currently being updated.

IRP 2019 shows a planned total installed capacity of almost 78GW by 2030. Of this 33.3GW is coal fired, 1.8GW is nuclear, ~18GW is wind, 8.3GW is solar PV and 4.6GW is hydropower. This would give a planned penetration of renewables of 40%.

To work towards meeting South Africa’s goals of reduced poverty and an economic growth rate of 5% per year, an increase in electricity supply of at least 5% per year is necessary. Thus by 2030, the energy demand is forecast to increase by ~40%. This would require a “steady-state” capacity total of ~40GW and peak capacity of about 50GW.

The difference between the average power and peak power requirements can be met by fast response generation such as a combination of pumped storage, open-cycle gas turbines and other “fast” dispatchable technologies.

Putting this into perspective, and if a system Energy Availability Factor (EAF) of 80% is reached, an additional ~12 to 15 GW of dispatchable equivalent generation capacity must be added by 2030 to meet the predicted demand!

### **FACTORS TO CONSIDER IN CHOOSING GENERATING TECHNOLOGIES FOR SOUTH AFRICA**

Important aspects and characteristics of the various generating

technologies need to be taken into consideration in making electricity system technology choice decisions.

### **Cost of electricity**

Several electricity costing methodologies are currently used. The main parameter used to make many long-term technology decisions and comparisons is the Levelised Cost of Electricity (LCOE). LCOE takes the generating plant capital cost, fixed operation and maintenance (O&M) costs, capacity factor and variable costs of fuel (where relevant) and lifetime energy output to calculate the cost of generating electricity. However, the LCOE only covers part of the total electricity costs and using it alone to make technology decisions may have significant negative long-term effects.

For instance, the LCOE does not consider the difference between the system integration costs of dispatchable and variable energy sources. Typically, additional system costs will have to be incurred for variable generating facilities because of their location and variability. These costs may be very significant and particularly applicable to countries planning energy transitions.

Thus, there is a considerable effort being focused on the Full Cost of Electricity (FCEO) to improve the information on which electricity system decisions are made. Although difficult to calculate, unless recognised and tackled, country administrations will not be able to make informed decisions to move towards fully sustainable and secure electricity systems. The FCEO addresses the true cost to society of the provision of electricity and is separated into three areas (Nuclear Energy Agency, 2018). These are:

- Plant-level production costs;
- Grid-level system costs, which include the cost of electricity transport and balancing, the cost of electricity storage and the cost of backup electricity supply equipments; ➤

- Social costs, including climate change impacts, air pollution, cost of accidents, land use, natural resource depletion and electricity supply security.

Grid-level system costs or electrical system level costs are related to the variability of renewable output and curtailment and re-dispatch costs. Grid connection costs can be significant due to the constraints of the location of renewable generating plants.

Figure 2 shows the results of calculating the full integration costs of different generating technologies with different levels of variable renewable energy technology penetration.

Schernikau (2022) adds further parameters such as the cost of recycling, material input per unit of service (MIPS), equipment lifetime and energy returned on energy invested (ERoEI or eROI). Experience is showing that the cost of the generation of renewable electricity may only be 44% (Murray, 2019) of the total cost of provisioning that energy.

## MATERIALS INPUT FOR VARIOUS GENERATION TECHNOLOGIES

Different generation technologies require different amounts of materials.

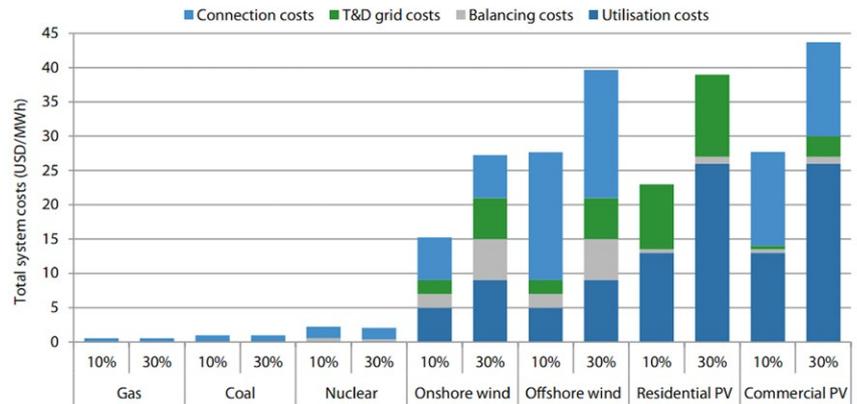
Figure 3 shows various materials required per energy unit generated over the lifetime of a generating resource. From this it is seen that the materials input for wind and solar PV are at least an order of magnitude (i.e. 10 times) larger than for the conventional dispatchable technologies.

### Land use intensity

Different generating technologies also have different footprints.

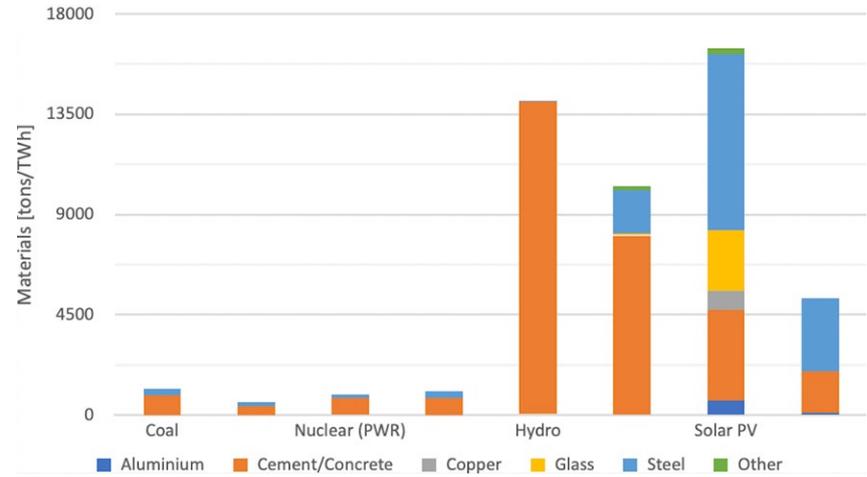
Land use intensity measured as the area per energy output has a range of over 100 times for the different generating technologies ranging from 0.1 m<sup>2</sup>/MWh for nuclear and 0.2 m<sup>2</sup>/MWh for underground mining coal-fired plants and gas turbines to 10m<sup>2</sup>/MWh for solar PV generation.

**Figure 2: Grid-level system costs of selected generation technologies**



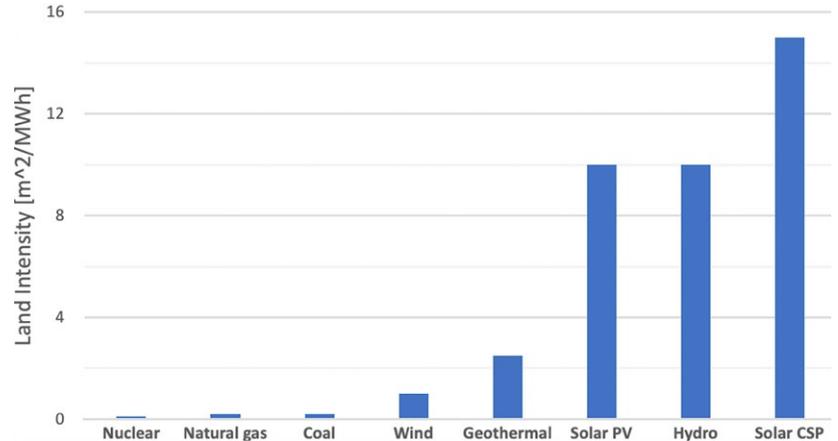
Source: Nuclear Energy Agency, 2018

**Figure 3: Material Input in tons per unit of service [TWh]**



Source: adapted from DOE Report

**Figure 4: Generating technology vs land intensity**



Source: International Renewable Energy Agency, 2017



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**... [an] electricity system must find an acceptable compromise between the laws of physics and practical constraints imposed by finances, environment and social welfare.**

### **Cost of unserved energy (COUE) in South Africa**

Modern society relies on a continuous supply of electricity with minimal outages to grow and prosper. Typical European countries experience annual outages amounting to less than four hours (Kessides *et al.*, 2007). South Africa had widespread forced outages of over 2,400 hours in the first 10 months of 2022! According to Minnaar and Crafford (2017), the cost of unserved energy (COUE) to the economy averages at R84/kWh. The household COUE is calculated as R6.77 per kWh.

In 2022, load shedding records to the end of October show the energy not supplied due to load shedding was about 7,500 GWh. Assuming that half of this affected commercial enterprises, the

cost to the economy was in the order of R300 billion or 6% of expected GDP.

### **Energy returned on energy invested (ERoEI)**

A parameter that gives another insight into electricity systems is the energy return on investment (ERoEI) or eROI (ExternE, 2005). An electricity system can be regarded as an energy gathering and conversion system complying with the law of energy conservation. ERoEI measures the efficiency of an energy “gathering” system. The higher the value of ERoEI, the more energy is returned for that invested in the development of the resource. In essence, the higher the ERoEI the lower economic and environmental costs or lower prices and >>

higher utility. If we choose technologies that give an EROEI of less than one, we will have an energy deficit. Visit <https://euanmearns.com/eroei-for-beginners/> for more on calculating the EROEI of systems and the EROEI for different generating technologies.

If the input energy to develop an energy source is too large, there will be little excess energy left for society to use. Weissbach and others (2013) have determined that an EROEI of about seven is the minimum required for our modern society to function.

Intuitively, this seems to mean that the renewable energy sources are actually expensive and may give some insight into why Germany, with a high penetration of renewables, has the 2<sup>nd</sup> highest electricity price in the world.

The McKinsey report (2022) states that the estimated capital spending on physical assets for energy and land use between 2021 and 2050 for the transition would amount to \$275 trillion (about R4,470 trillion) or \$9.2 trillion per year. This is an annual increase of \$3.5 trillion, which is equivalent to about 7% of household spending or between 6.8% and 8.8% of GDP.

It is also stated that poorer countries may have to spend 1.5 times more than advanced countries as a share of GDP to support economic growth and to build a low-carbon infrastructure.

## CONCLUSION

Currently it seems that the world is rushing headlong into the widespread deployment of solar PV and wind renewables as the solution to transition from fossil fuels. One should remember that these technologies are relatively new when compared to traditional generating technology and that the long-term (i.e. 50-year) effects of using these are not yet fully realised.

What seems clear is that considerable work is required to fully evaluate and understand these technologies, taking into account factors such as their variability, equipment lifetime, the full cost of electricity generated, the return on energy invested, land footprint and base materials input to ensure that they indeed provide a long-term sustainable and viable energy option.

Any plan to achieve electrical energy security should be based on a low-risk approach. It should use existing, proven technology applied by competent people. The temptation to rely on newer, “miracle” technologies such as “green” hydrogen, or excessive penetration of renewables and utility battery storage systems as “the solution” should be avoided until these technologies have properly proven themselves.

An effective long-term solution will involve the application of an appropriate “mix” of generating technologies to effectively meet the requirements. It will have to be an acceptable compromise between the laws of physics and the practical constraints of financial resources, urgency, skills availability and environmental damage to optimise the welfare of South African citizens.

Everyone agrees that a “just energy transition” is required. However, the meaning of this phrase is often limited to the effects of the transition on the energy industry workers and associated communities only. A truly “just” transition must apply to the whole of society. The realisation of energy security and achieving reliable, affordable and accessible electricity must be the primary objective that results in sustainable economic growth and ultimate improvement in the quality of life for *all* citizens.

*This is a condensed version of a research paper by Viv Crone. Crone presented his work at an IFAA Forum in December 2022 which can be accessed [here](#).*

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# South Africa's COP26 deal

## Explaining what \$8.5 billion means for a 'just transition'

*By Roland Ngam*

Dr Roland Ngam is the Project Manager for Climate Justice at the Rosa Luxemburg Stiftung – Southern Africa office. Previously, he was a postdoctoral research fellow in the Emancipatory Futures Studies Programme at the University of the Witwatersrand.

*ROLAND NGAM reminds us that much of the much-vaunted Just Energy Transition Partnership is in the form of loans and decries the way that rich countries – which have caused all the climate change problems – offer loans rather than direct financial grants to poor countries to finance the just transition away from fossil fuels.*

### THE DEAL

Ahead of the the 26th United Nations climate change conference known as COP26, held in Glasgow, Scotland, in November 2021, the governments of South Africa, France, Germany, the United Kingdom and the United States of America, along with the European Union, announced a long-term Just Energy Transition Partnership (JETP) to support South Africa's decarbonisation efforts.

The deal was designed to help "prevent up to 1-1.5 gigatonnes of [carbon dioxide-equivalent] emissions over the next 20 years, support South Africa to move away from coal and accelerate its transition to a low emission,

climate resilient economy" (European Community, 2021). South Africa went into this deal as a willing partner.

The deal will "mobilise" an initial amount of approximately \$8.5 billion (currently R140 billion) over the next three to five years.

Since coming to power in 1994, the ruling ANC has connected at least 8.5 million households to the grid with a further 3.5 million still to be connected (Nkwinti, 2015). This is something to be celebrated, given that such rapid connection has probably never been achieved before on the African continent. However, the development of the country's power fleet has not kept pace with either demographic growth or the needs of its vast manufacturing base. Most of the national power utility Eskom's coal generation capacity is old and inefficient and can no longer be relied upon to supply the country with steady power. By mid-September 2022, South Africa had experienced power cuts on 100 separate days (Vollgraaff, 2022).

To continue fulfilling its developmental mandate, and to offer cheap, reliable electricity to homes and industries, Eskom has to develop new generation capacity. South Africa's Integrated Resource Plan (IRP) aims to install at least 40,000 MW of generation capacity over the next couple of decades (of which at least 17,800MW will be renewables).

Following the COP26 deal, the South African government intends to do three key things.

Firstly, it intends to install some renewable capacity. The old Komati Power Station's coal generation units will be mothballed and replaced with renewables. Komati, which has nine generation units with total generation capacity of 1000MW, was commissioned in 1957 and started generating electricity in 1961. Today, the 61-year old plant, that employs over 600 permanent workers, is not as efficient as it used to be and the feeling is that it should be replaced with more efficient energy sources, i.e. 150MW of solar, 70MW of wind and 150MW of batteries. (The government further plans to decommission at least 10,500MW of coal generation capacity by 2030, something that will be difficult to achieve given that Eskom owes about R400 billion and the fiscus is severely constrained in the post-Covid context with faltering growth, load shedding, rising unemployment and global warming).

Secondly, South Africa will use the COP26 money for education purposes. In this regard, Eskom's [Komati Training Facility](#) is going to skill, reskill and upskill the Komati Power Station's workers, its suppliers and people in the local community who would have been part of the plant's ecosystem and ►►

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The deal will “mobilise” an initial amount of approximately \$8.5 billion over the next three to five years.

who are willing and able to work in the renewables space (Smith, 2022). The training facility will be equipped with a containerised micro-grid assembly factory to supply renewable energy units for use elsewhere.

Thirdly, the deal also intends to create a new economy within the Komatipoort area to make it less reliant on coal and related activities. In other words, it will do what it can to avoid the area becoming a ghost town, as sometimes occurs in areas that lose a mine or a major project.

These countries are helping South Africa because, firstly, Eskom is the **biggest emitter** of sulphur dioxide per capita in the world (Bloomberg, 2021). Secondly, it is also one of the biggest emitters of methane gas and carbon dioxide per capita in the world. COP26 recognised that limiting global warming below 1.5 degrees requires a common but differentiated effort from all parties. Within this dynamic, there must be large transfers of money from highly industrialised countries to developing nations for adaptation and mitigation purposes. This is only fair because the rich countries are responsible for the biggest share of the anthropogenic warming that has intensified since the beginning of the industrial revolution. Developing countries require at least **US\$3.5 trillion** for adaptation and mitigation by 2030 (Carbon Brief, 2015)



and South Africa’s COP26 deal is part of this effort.

Unfortunately, a lot of the promised \$8.5 billion will be in the form of loans to South Africa, which will have to be repaid. This should not be the case (Ngam, forthcoming. “The case for climate reparations”).

### A FACTORY OF CONSPIRACY THEORIES

A stubborn ecosystem of disinformation and conspiracy theories have emerged on social media (YouTube, TikTok, Instagram) and elsewhere, spreading rumours that Eskom is being sabotaged in order to award lucrative 20-year Independent Power Producer (IPP) purchase agreements to ANC and “white – and black – monopoly capital” cronies, with some even alleging that the IPP programme “is designed to corrode Eskom from providing its core mandate”.

So, where are these rumours coming from? The \$8.5 billion offered by these countries to help South Africa retire Komati? Seriously? People are screaming that South Africa’s baseload is under attack because a coalition of countries offered to help South Africa retire 1000MW of coal capacity? Remember that Komati, which is more than 60 years old, was abandoned, resurrected and retired

again before the COP26 deal came along.

Here is what South Africa’s energy minister “**Gwede Mantashe**” said recently about new generation capacity at Eskom: “Guided by the Integrated Resource Plan, government is engaged in the procurement of additional energy from a mix of energy sources such as available gas, hydropower, nuclear, coal and battery storage” (Molefe, 2022).

In other words, green projects are still going to be largely located within IPPs. Therefore, nobody has threatened to tear down South Africa’s baseload capacity, least of all US President Joe Biden, which was insinuated by the head of the Association of Mineworkers and Construction Union (Amcu), Joseph Mathunjwa. Interviewed on ENCA’s “**We the Nation**” recently, Mathunjwa added that President Cyril Ramaphosa should be more like former US president Donald Trump and tell the world to let South Africa burn its coal in peace.

That trade unions like Amcu and the National Union of Metalworkers of South Africa (Numsa) resort to attacking Biden and prominent businessman Patrice Motsepe for helping to kill Eskom’s baseload capacity is really disappointing. Do people think that President Ramaphosa is champing at the bit to plunge the South African

economy into chaos and force hundreds of thousands of people out of work? Nobody wants workers to lose their jobs. The term “just transition” was adopted in the international narrative about climate change to make it clear that transitioning to low carbon energy sources should not destroy livelihoods and communities. If we combine all the renewable projects in the IRP, renewables would still only make up 25% of total generation capacity in the country.

## MAKING OUR VOICES HEARD AT COP27

COP27 took place in the Red Sea resort city of Sharm El-Sheikh, Egypt in November 2022. The scenery is breath-taking: pristine waters, palm tree-lined streets and beautiful resorts. However, Sharm-El Shaik does not really offer opportunities for the kind of mass mobilisations that can grab the attention of global leaders on the scope and scale that we saw in Glasgow.

Another development threatened to derail this gathering. Following the Russian invasion of Ukraine, the over 155 billion cubic metres of gas that Russia sends to the EU has dried up, which has scrambled the EU’s energy plans and sent its members looking for alternative sources of power around the world. EU members intend to replace Russian gas with a mix of renewables and nuclear, coal and gas. In Africa, this has resulted in countries that have proven reserves of gas (Senegal, South Africa, Mozambique, Nigeria, Cameroon, etc.) seeking investments for either pipelines or shipping liquefied natural gas (LNG) to Europe. There is grumbling in some African countries about the Global North’s hypocrisy after the EU elected to label gas as a green source of energy despite pressuring countries like South Africa and Nigeria to divest from it. South Africa’s energy minister has gone as far as to call the West’s pressure campaign “colonialism and apartheid of a special type”.

If Africa, which contributes very little to the problem, is made to shoulder the biggest burden of the just transition, such complaints are only going to grow. More dangerously, this could lead to many African countries jumping on the “pollute now, clean up later” bandwagon that we see in many Asian countries. The nations that bear the most historical responsibility for climate change have a duty to help Africa transition to just, fair, low-carbon economies. Paying for loss and damage in Africa does not necessarily mean transferring cash to the continent. The Global North’s just transition commitments to the Global South can be translated into Green New Deal projects that surgically target the following in the various regional economic communities:

- Significant expansion of the continent’s road and railway systems;
- Development of renewable energy infrastructure and expansion of the electricity grid to provide electricity to the more than 700 million Africans who have never had it;
- Rehabilitation of coastal areas and mangroves;
- Ending deforestation, development of urban forests and expansion of the Great Green Wall;
- Large-scale installation of microgrids as well as farm mechanisation and local/regional markets;
- Expansion of universal basic infrastructure for healthcare, education, mobility and social life.

## CONCLUSION

The minerals-energy complex is conducting a doom-and-gloom campaign that predicts imminent catastrophe if steps are not taken to begin the just transition anytime soon. But calling for climate justice in

Africa means giving the most impacted communities a voice in seeking real solutions to defend their lands and bodies of water from polluting mining companies. It means promoting transformative economies through agroecology, energy democracies, food sovereignty and just transitions.

The Stone Age did not end because the world ran out of stones. The Coal Age should not persist simply because we still have a lot of coal. Our development trajectory must be based on what is good for the planet and the future of our children and our children’s children. These truths should have come out loudly and clearly at COP27. However, any transition that is developed must be just, fair and done on South Africa’s terms.

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# Dateline Africa

Events on the continent, 1 September to 6 November

*Since the last [Dateline Africa column](#) was published in the previous issue of [New Agenda](#) the continent has been wracked by newly intensified terrorist attacks in Somalia and conflicts in the Eastern DRC, far too many to be listed here. Strained mediation efforts continued – involving leaders from Angola, as well as the East African Community. The African Union has called for dialogue. Meanwhile, civilians have died, suffered and been displaced.*

## NOVEMBER

6 November: COP27 (aka the 27th Conference of Parties to the United Nations Framework Convention on Climate Change) opened in the Red Sea resort town of Sharm el-Sheikh, Egypt. Dozens of people accused of preparing anti-government protests were arrested before the conference got underway.



2 November: In a dramatic and unanticipated development, African Union-sponsored peace talks on Ethiopia held in Pretoria ended with a

signed peace agreement between the Ethiopian government and Tigray rebels. The terrible war – with atrocities proven on both sides – lasted for two years with as many as an estimated 600,000 dead and millions more displaced.

## OCTOBER

31 October: An unknown number of African countries joined 66 countries globally (led by Cuba, a noted supporter of the anti-apartheid struggle) at the Third Committee of the 77th session of the United Nations General Assembly to express support for China’s position on issues related to Xinjiang, Hong Kong and Tibet and opposition to interference in China’s internal affairs. China urged countries to stop using human rights as a pretext for political manipulation, slander and rumour mongering. “What they need to do is deeply reflect on their own human rights woes, learn their lesson from the human rights disasters they have brought onto other countries and return to the right track of cooperation and dialogue”.

31 October: Eswatini and Somalia were the only African countries to add their names to a joint statement issued by 50 countries in the UN General Assembly Third Committee on the human rights situation in Xinjiang, China. The statement, delivered by Canadian Ambassador Bob Rae – another noted supporter of the anti-apartheid struggle – drew attention to evidence of the arbitrary and discriminatory detention of Uyghurs and other predominantly Muslim minorities in Xinjiang which “may constitute international crimes, in particular crimes against humanity”.

20 October: 26 bodies were unearthed from a mass grave in north



Malawi. All were men, from Ethiopia, believed to be migrants who employed human traffickers to get them to South Africa. Some of the bodies showed signs of suffocation, possibly from being transported in a closed container. “Malawi is a country of transit for migrants from the Horn of Africa travelling along what is known as the Southern Route from as far north as Ethiopia in a bid to reach South Africa in search of employment,” said the International Organization for Migration (IOM).

18 October: President Brahim Ghali of the Sahrawi Arab Democratic Republic arrived on a state visit to South Africa, triggering a negative response from Morocco, which claims the neighbouring Western Sahara – a former Spanish colony – as its own territory. Morocco has been pitted against the Algeria-backed pro-independence Polisario Front for over 50 years. Since 1994, South Africa has been a strong advocate for the Sahrawi Arab Democratic Republic which is a member of the African Union.

7 October: 65 parties contested the Lesotho national elections, all advocating for much the same policies and proposals. Their politics are about access to individual employment and influence and have nothing to do with the general good. Politicians have bickered for over a decade about constitutional changes to de-politicise



Source: United Nations

the police and army and curb the powers of the prime minister. The results saw a surprising win for the new Revolution for Prosperity Party, formed only in March 2022 by a millionaire businessman who sponsored lavish rallies before the poll.

6 October: Eight African countries joined 19 other members of the United Nations Human Rights Council (UNHRC) to reject a proposal to debate a report that condemns China and its oppression of Muslim communities in its province of Xinjiang. Somalia was the only African country and the only Muslim-majority country in the world to back the resolution. China had lobbied hard for this outcome. Only once before has a motion been defeated in a meeting of the UNHCR since it was formed in 2006.

3 October: Seretse Khama Ian Khama, a former president of Botswana, condemned Russia's invasion of Ukraine as an "aggressive, colonising action". "It is an unjustified attack on democracy, sovereignty and international law, and an assault on human rights," he wrote

## SEPTEMBER

30 September: A military coup broke out in Burkino Faso, the second coup in eight months. The state now controls less than half the country since militant Islamists – linked to the Islamic State group and al-Qaeda – began a campaign of attacks in 2015.

29 September: South Africa's



John Chilembwe statue in Trafalgar Square in London

National Treasury banned Bain & Company, a global consultancy, from tendering for public sector contracts for the next 10 years. The firm had been implicated in state capture and had engaged in "corrupt and fraudulent practices" in dealings with the South African Revenue Service (SARS).

28 September: A huge bronze statue of John Chilembwe, a Baptist preacher and pan-Africanist in colonial Nyasaland (Malawi), was installed on a plinth in Trafalgar Square in London. Chilembwe led an uprising in 2015 against British rule, but it was not widely supported and he was killed by the King's African Rifles as he fled towards Mozambique. The sculptor is Malawian-born artist Samson Kambalu, who is a professor of fine art at Oxford University.

28 September: Members of the ANC Youth League accepted an invitation to observe referenda in south eastern Ukraine organised by Russia to measure support for annexation of that territory by Russia. A representative of the ANCYL said they observed people participated "freely and fairly".

15 September: President João Lourenço was sworn in for a second presidential term in Angola. One of the remarkable outcomes of the close and disputed 24 August election was the victory of the opposition UNITA in Luanda, which represents a third of the electorate. The corrupt and authoritarian ruling party, the People's Movement for the Liberation of Angola



Angola President João Lourenço, Wikimedia Commons

(MPLA), has been in power since 1975.

12 September: 50 million people worldwide were living in modern slavery in 2021, according to a report by non-governmental organisation Walk Free. Many modern slaves are of African origin but figures are uncertain as slavery is illegal and cannot be tracked. Many are domestic and migrant workers in Arab countries and others are held in African countries such as Uganda. Forced labour and forced marriage – another significant marker for modern slavery – have increased significantly in the last five years across the world.

6 September: UK politician and former campaigner against apartheid Peter Hain wrote in a letter to US President Joe Biden that "no reputable government should do business" with the giant US consultancy Bain & Co, which admitted that it allowed "Bain's name and Bain's work to be used to support state capture" in South Africa. This followed a decision by the UK government to suspend Bain from UK government contracts for three years, on the basis that the company was "guilty of grave professional misconduct" in relation to its operations in South Africa.

1 September: Madagascan authorities confirmed police killed 19 people in a remote rural community. They fired on a crowd of vigilantes who tried to storm a police station to seize four people arrested on suspicion of abducting an albino child and murdering their mother. **NA**

# Did we waste R1.2-billion?

Or can Zondo return SA to where we were headed in 1994?

By Moira Levy

Moira Levy is Production Editor of *New Agenda: South African Journal of Social and Economic Policy*, the flagship publication of the [Institute for African Alternatives \(IFAA\)](#).

*IFAA has joined the growing number of civil society organisations that are mobilising around the need for parliamentary and electoral reform. The consensus appears to be in favour of a mixed constituency and proportional representation system and MOIRA LEVY argues it is time for those elected to Parliament to be directly answerable to the people who voted for them instead of the political parties that selected them.*

The main recommendations of the Zondo Commission on Parliament offer a way out of the political maze in which we are currently lost. Post-Zondo South Africa faces the challenge of responding appropriately and timeously to the myriad of clear, constructive – and eminently doable – recommendations found throughout the six volumes of the report.

Of particular interest to the Institute for African Alternatives (IFAA) are the 16 recommendations listed on the very last three pages of the almost 5,500-page

report. They spell out what Parliament itself needs to do to address Zondo’s scathing finding that it was the national legislature, and more particularly its Committee system, that allowed the scourge of state capture to unfold (RSA, 2022. See also Doyle, M. *et al*, 2022:2).

It is in this context that IFAA is launching a new project called “In Defence of Constitutional Democracy: Parliament as the Cornerstone of Public Participation”, or what IFAA prefers to call DECODE. This will focus on Parliament and how the Members can fulfil their cardinal – and constitutional – duty to exercise oversight over the Executive branch of government, including organs of state and state-owned enterprises.

Of our three branches of government – the Executive, the Judiciary and the Legislature – the last has shown itself to be the weakest pillar of our democracy. A total of 27% of people have no trust or little trust in Parliament, down from 65% in 2005 and 50% in 2010. Clearly, something needs fixing.

IFAA first responded to this need in 2019 when it ran a research project on why the checks and balances provided in the Constitution cannot curb the unauthorised, irregular, and “fruitless and wasteful” expenditure by government departments revealed in the reports of the Auditor-General (AG).

IFAA’s founder and then Director, Professor Ben Turok, initiated the

“Checks and Balances Project” only weeks before he passed away in December 2019. He said: “the people’s money is being squandered by the Executive, and Parliament is complicit in this”. *Checks and Balances: The Auditor-General Project Report* was released in 2020. It concluded that “Parliament provides scrutiny and oversight of executive action, but has failed on accountability. Accountability is the fault-line. (IFAA *et al.*, 2020:7).

It quoted a Member of Parliament saying, “When I went to Parliament in 1994, we had the A team. Now we have the Z team” (IFAA *et al.*, 2020:10).

The report asserts, “The Checks and Balances Project identifies the weakness of character of our parliamentarians as the main reason why Parliament remains the least powerful of our three branches of government” (IFAA *et al.*, 2020:8). It directed the debate back to the political parties urging them to prioritise the quality and character of the members they put on their party lists to fill seats in Parliament.

It added: “Some will say the problem lies in the electoral system, where nominees for seats in Parliament are not elected by an inclusive democratic process, but are chosen by parties’ murky internal processes. The electoral system has no way to exclude many ‘bad apples’ who parties choose to represent them” (IFAA *et al.*, 2020:8).

To develop a better oversight model

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**When I went to Parliament in 1994, we had the A team. Now we have the Z team.**

the research suggested Committees need to develop a “framework” so they are better able to do their oversight work in a planned way and can be held accountable to it properly. They need “proper systems” for following up on their questions and resolutions.

“Committees must propose corrective actions and (critically) they must specify that the Executive must report back on the issue to the National Assembly. This process is already open for Parliament, but it is not adequately done at present (IFAA *et al.*, 2020:19).

As we will see later, this thinking is reflected in the recommendations of the Zondo Commission.

### **DECODING ZONDO**

IFAA’s In Defence of Constitutional Democracy initiative will comprise a series of engagements which will aim to address the need for our democratic Parliament to meet its mandate as stipulated in the Constitution.

These will comprise a roundtable discussion between MPs, parliamentary advisory/support staff and civil society stakeholders on Parliament’s role in conducting oversight effectively and in good faith. In addition, civil society workshops, specifically targeting youth, will address what citizens may and/or should demand of their elected representatives.

The reflections on parliamentary oversight and the needs and demands of voters will culminate in a public conference, to be held in Cape Town later



Source: Wikimedia Commons

in 2023. It is proposed that a Citizens’ Charter to drive public participation in Parliament and reform of the electoral process will be developed, possibly for adoption at the conference.

The project aims to build understanding of and commitment to the constitutionally determined role of MPs. The chief goal will be to contribute to the current efforts by civil society to educate and mobilise citizens around what can and must be expected from elected representatives. The hoped for outcomes include:

- a plan of action for civil society organisations to engage their representatives and Parliament;
- a strategy to involve grassroots stakeholders in the parliamentary public consultation process;
- a deeper understanding and appreciation by young voters of the democratic process and their role within it, including a revised understanding of their responsibility as voters; and
- a change in attitude from generalised apathy to

recognition of the vote as a tool of empowerment.

It is sincerely hoped that this will help contribute to a renewal of trust and confidence in Parliament within the broader public; help build public interest in the need for and process of revising the electoral system to incorporate a form of constituency-based representation; and support the widespread growth of the existing civil society movement for public participation and mobilisation around citizens’ demands for effective people-centred, representative democracy.

IFAA intends to consult broadly among current stakeholders before embarking on this engagement and hopes to take its place alongside the esteemed civil society organisations that are already doing excellent work in this field.

This initiative aims to open public dialogue with and between parliamentarians and civil society on how to strengthen our parliamentary system in the face of the current threats to our constitutional democracy. The project hopes to raise the urgent need >>

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**This initiative aims to open public dialogue with and between parliamentarians and civil society on how to strengthen our parliamentary system ...**

for parliamentarians to revise their collective understanding of what it means to work within a democratic framework that places voters’ demands above those of the party. It also addresses the need for civil society to effectively demand accountability from democratically elected representatives.

**DECODE takes its cue from Zondo and civil society**

Pretty much all of the findings in the IFAA Checks and Balances report of 2020 found traction in Zondo’s effective “message to Parliament”. Zondo highlighted the urgent need for parliamentary Committees to follow up on their resolutions for remedial action by the Executive: “One of the primary practical problems to which various witnesses drew attention was the absence of any parliamentary system to ‘track and monitor’ implementation or non-implementation by the executive of undertakings given by the executive or of corrective action proposed in reports adopted by Parliament” (RSA, 2022:429).

Zondo cites evidence of late submission of reports by government departments, tardy or non-attendance by Ministers and others who have been called before Portfolio Committees and other such instances of poor



performance by the Executive. Zondo considered such omissions so critical to Committees effectively playing their oversight role that he asked in the report if there was a need for Parliament to consider “whether there is a need to legislate to address these issues” (RSA, 2022:445).

Such recommendations have given IFAA, and many others, cause for hope; the Zondo Commission has opened a window of opportunity for change which must not be ignored.

It is widely known that this has happened in this past, repeatedly. Take the Van Zyl Slabbert report of 2003, the 2006 Parliament Report of then MP Pregs Govender, the Report of the Independent Panel Assessment of Parliament in 2009 and the 2017 Kgalema Motlanthe High Level Commission.

The 2009 Panel identified numerous problems that detract from oversight effectiveness in the national legislature, including that the party list electoral system provides a disincentive to individual members of the majority party “to robustly hold the Executive to account” because of the unconditional power of political parties to remove any member from Parliament.

The consensus among these all of these, and the civil society voices that are now being heard appear to be in favour of a mixed constituency and proportional representation (PR) list

system. The fundamental problem with the PR system introduced in 1994 is that members of Parliament are not chosen directly by the people, who can then hold them accountable for decisions they make and the oversight they conduct. Those who are elected to represent the people, in national, provincial and local legislatures, should be directly answerable to the people who voted for them instead of the political parties that selected them.

Chief Justice Zondo said much the same, repeatedly asserting that political parties have far too much power and influence over their MPs. The Zondo report recommends that Parliament should consider whether it should “enact legislation which protects Members of Parliament from losing their party membership (and therefore their seats in Parliament) merely for exercising their oversight duties reasonably and in good faith” (RSA, 2022:464).

Also of great interest is Zondo’s recommendation number 1292.2, which suggests that Parliament needs to consider whether the electoral system should be amended to allow for a constituency-based electoral system, which would not replace the existing proportional representation, but which would strengthen Parliament’s ability to hold the Executive accountable (RSA, 2022:463).



**Our current electoral system no longer meets the needs of ordinary people who wish to be more directly involved in our still fledgling democracy.**

The recent surge by civil society organisations for electoral reform of this kind gained momentum in the ongoing protests against the poorly framed 2022 Electoral Amendment Bill which was speedily passed by the National Assembly (NA) in October and sent back to the NA with proposed changes by the National Council of Provinces (NCOP). At the time this journal was published the deadline for the signing of the Bill has been extended to 28 February 2023 to allow for more public participation.

The Bill was in response to a 2020 Constitutional Court ruling in the case of *New Nation Movement NPC and Others v President of the Republic and Others* that declared the current PR party list system unconstitutional as it does not allow for individuals or independent candidates to stand for election at a national or provincial level. The Constitution enshrines the right of every citizen to stand for elected office, which includes the right of independent candidates to contest elections on an equal footing with candidates from political parties.

**WE NEED ACCESSIBLE, PARTICIPATIVE DEMOCRACY**

IFAA has endorsed the view of the Rivonia Circle, the Ahmed Kathrada

Foundation, Defend our Democracy and others who warned that the Bill as it stands is seriously flawed. Their joint submission to the NCOP in advance of its vote on the Bill stated, “Our current electoral system no longer meets the needs of ordinary people who wish to be more directly involved in our still fledgling democracy”.

The concern about the Bill in its present form is that it discriminates against independent candidates. For example, the Electoral Amendment Bill requires independent candidates to have around 8,000 signatures in order to stand for election while political parties need only 1,000 signatures. This is one of the concerns expressed by the NCOP in its proposed changes to the Bill. In terms of the Bill, votes for independent candidates beyond the requisite ceiling will be reallocated to political parties as will all votes for any seats vacated by independent MPs for any reason.

This will clearly strengthen party dominance in Parliament and gives parties the upper hand over independent candidates. And it appears that the ruling majority party stands to gain the most if this Bill becomes law.

The Bill makes a mockery of the Constitutional Court ruling to open the way for fair and equal participation by independent candidates, which could allow for the direct election of some parliamentary representatives.

The National Assembly passed the Electoral Amendment Bill by 232 votes to 98, despite the campaign by national civil society organisations denouncing it as a sham and a missed opportunity for much-needed electoral reform.

It is worth returning to the Constitution itself, which is very clear on the role of Parliament. Section 42(3) reads: “The National Assembly is elected to represent the people and to ensure government by the people under the Constitution. It does this by choosing the President, by providing a national forum for public consideration of issues, by passing legislation and by

*scrutinizing and overseeing executive action”* (emphasis added). Section 55(2) adds the concept of accountability to that of oversight: “The National Assembly must provide for mechanisms, a. to ensure that all executive organs of state in the national sphere of government are accountable to it; and b. to maintain oversight of i. the exercise of the national executive authority, including the implementation of legislation; and ii. any organ of state.”

We need simple, understandable rules for voting and elections – the more complex the process, the more citizens’ disinterest in it will grow. This will place even greater pressure on South Africa’s hard-won democracy, which is already at risk, largely due to lack of capacity and political will within the state, as well as massive corruption in many spheres of governance. The Zondo Commission clearly exposed this. The National Prosecuting Authority (NPA) has responded to the Zondo report by getting on with the job with which it was mandated; we are at last seeing prominent figures in the dock and their loot being tied up in frozen pensions and iced bank accounts, hopefully to be returned in due course to the people of South Africa.

Now it’s the turn of civil society to push on with what the Chief Justice and his team started and what the courts are following up.

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# A humane approach to migrants: get real, let them in!

*By David Lewis*

David Lewis, a former trade unionist, academic, policymaker, regulator and company board member, was a co-founder and the director of Corruption Watch.

*South Africa, and Gauteng in particular, is on the cusp of a bloodbath. It will not take the long-predicted form of an intra-South African racial conflict, but rather of a national conflict, with South Africans pitted against immigrants, writes*  
**DAVID LEWIS.**

**W**e've been down this road before, with terrible human, social and diplomatic consequences. The likelihood of what we have come to know as "xenophobic violence" is significantly exacerbated by the build-up to what will be the most hotly contested polls – both party leadership and general elections – in the history of our democracy. However, little is said about the policies of the contending individuals or parties. It's all about personalities and identity balance.

There is one exception: immigration policy. But there's not a huge range of divergent opinion in this critical policy area, at least that is certainly true regarding the intended outcome of immigration policy – that

it should impose as restrictive a regime as possible.

Business interests want an immigration policy that enables the easy acquisition of skills required by South African firms; human rights advocates are more expansive when it comes to opening the borders for refugees and asylum seekers. But most agree that our ability to provide jobs and public services to our own citizens is undermined by permitting immigration beyond these exceptions.

Moreover, there is general agreement on how this outcome is to be achieved: remove those in the country who do not have express permission to be here – "illegal" immigrants – and seal off the borders. But when the bullets start flying no distinction is drawn between legal and illegal migrants. All foreigners are targeted. And even if the public were satisfied by the expulsion of illegal immigrants alone, it will take an enormous law enforcement response to remove them ... and most will be back before their blood can be wiped off the streets of downtown Johannesburg.

Few countries have managed to close their borders against unwanted immigration. Not even the UK, an island, has managed this – it's dispatching its unwanted immigrants to Rwanda. When, after 9/11, the US, with its lengthy

land borders, started trying to restrict illegal migration by strengthening law enforcement and building walls, there was no evidence that cross-border flows into the country decreased. Rather, there was an increase in human and drug trafficking and the number of deaths resulting from attempted crossings.

The correct approach is the precise opposite of a restrictive, law enforcement-centred policy. It is one that recognises South Africa has been at the centre of a regional labour market since time immemorial. No amount of policing, no walls or fences, no crocodiles or hippos, no populist crypto-fascists will change that. So get real! Let them in! Let them work! Give them access to public services and facilities.

Right now the vast majority of immigrants are either here as asylum seekers or refugees or they are here illegally, which is to say they are undocumented. A November 2021 paper by Khangelani Moyo, published by Migration Information Source, cites official estimates of 2.9-million migrants in South Africa. Most are from the Southern African Development Community (SADC) region and most are here illegally.

Drop the requirement for citizens of SADC states to apply for asylum seeker or refugee status. Instead incentivise

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**... when the bullets start flying no distinction is drawn between legal and illegal migrants. All foreigners are targeted.**

all immigrants to pass through South African border posts, where their entry to the country can be documented. On arrival or within a prescribed time — say three months — they should furnish an address.

They should be eligible to work. To work in the formal sector they should furnish proof that they have been documented at a South African border post. The department of employment and labour (not the Economic Freedom Fighters [EFF]) should regularly inspect workplaces that employ immigrants to ensure they are documented, and that they are employed at the prescribed wage rates and conditions. Any migrants who are undocumented should be deported.

Where they are employed at wages and conditions of service below the prescribed minimum, their employers should be severely penalised. Those who choose to open small formal or informal businesses should be able to do so on the same basis as South Africans (including paying taxes), provided they can furnish proof that they have been documented.

Those immigrants who are documented should be given access to public services and facilities on the same basis as South Africans. The responses triggered by the disgraceful conduct of [Limpopo health MEC Phophi](#)

[Ramathuba](#) who earlier this year was filmed chastising a Zimbabwean woman who sought treatment in a South African hospital. This clearly demonstrates that the appalling conditions in her department have nothing to do with the use of those services by immigrants and everything to do with corruption and maladministration. The same is certainly true of Gauteng public health facilities.

This then is the essence of this approach: by entering through a South African border post migrants from the SADC will be allowed into the country, where they will be allowed to work and access public services. Of course, there will be excluded categories, such as those who have been found guilty of a serious criminal offence. But these will be a small minority. The majority will be incentivised to use official ports of entry and disincentivised from entering illegally.

African immigrants from outside the Southern African region — overwhelmingly from the Horn of Africa — are admitted on the basis that they are asylum seekers. Maintain this system in respect of non-regional immigrants. However, at present the system is incompetent and characterised by enormous corruption on the part of home affairs officials and police. Removing Southern African citizens from the asylum-seeking system will significantly reduce the pressure on the administrative process and better enable cleaning it up.

It should also be noted that immigrants from the Horn are by and large experienced, skilled traders who provide South Africans with jobs and competitively priced goods. A World Bank report estimates that each migrant creates two new jobs. The migrants from the Horn draw on networks of suppliers established over centuries of international trading. More's the pity that their uncertain and temporary status inhibits greater investment in their trading activities in South Africa. Better that the department of trade,

industry and competition should help small South African traders emulate their peers from the Horn of Africa than that they should be viewed as enemies.

So my proposal is not liberalisation of the labour market for the sake of depressing wages or permitting an unregulated influx of immigrants to the country. On the contrary, it is a proposal for a form of regulation that is more humane and does not undercut the efforts of unions and workers to improve conditions of work, and helps provide affordable goods for hard-pressed South African consumers.

Pie in the sky, you say? Well, a lot less so than the notion that brute violence can be used to segment our region along precisely the same arbitrary lines that colonialism drew. My proposal reduces the administrative burden and is far less vulnerable to corruption than the present system. And it is a whole lot more feasible than constructing impregnable walls and fences on our borders.

The take-home for the government and those contesting the coming elections is this: don't be dragged into the sewers by people like Gayton McKenzie and Ramathuba, or foaming populists like Herman Mashaba or the Musina official who recently referred to immigrants as cockroaches (now where have we heard that before?) who should be sprayed with Doom.

If we apply the principles of the constitution and human decency we will all benefit, citizens and immigrants alike.

*This article was first published in Business Day on 7 September 2022.*

#### FURTHER READING

Moyo, K. 2021. South Africa Reckons with its status as a top immigration destination, Apartheid history, and economic challenges. 18 November. Migration Policy Institute. Available at <https://www.migrationpolicy.org/article/south-africa-immigration-destination-history> **NA**

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# The shredding of the Mandela Dividend

*By Ari Sitas*

Professor Ari Sitas, the former head of the Sociology Department at the University of Cape Town, is a member of IFAA's Board of Directors. He is also an award-winning writer, dramatist and poet. He was awarded the Order of Mapungubwe in Silver by the Office of the South African Presidency for his excellent contribution to social science scholarship and progressive policy-making.

*ARI SITAS tracks the significant upward trend of militarisation that South Africa, and the world at large, has seen since around the year 2000 and appeals to the Ramaphosa government to resist this hawkish trend. He warns of dire consequences that are already evident with the demise of the Mandela Dividend and its attendant themes of peace-making and reconciliation.*

The "Mandela Dividend" is in tatters. It persists here and there, but its promise has been scoffed at. By pairing "Mandela" with a "Dividend" I mean something simple: that the very idea that the positive consequences of peace and reconciliation would far outweigh enmity.

The year 1994 marked a euphoric moment as the dismantling of the last formal racial autocracy on earth

facilitated a new structure of feeling. It felt as if there was no conflict on this geo-mass between societies and within them that could not be negotiated as well, not even in Ireland, India, Pakistan or Palestine.

Sometime then, the political became personal: as a sociologist I was writing about the Mandela decade and its contradictions; as a peacenik I was arguing for the prospects of reconciliation and re-unification in Cyprus, the importance of a negotiated peace in Bogota, African renewal and development in Addis Ababa and Cairo. Between 1994 and 2000 there were very few serious thinkers in the world who did not visit South Africa or wanted to do so. The formula for success during those moments of euphoria has not been worked out, but it did propel energy beyond the downward curve of its descent. Even Barack Obama could still stand and orate at Mandela's funeral in 2013 that we too must act "on behalf of peace".

The academic and political pathways made such energy flow with ease. After all, didn't the peace dividend enjoy ample credibility, tentatively after the First World War and more stridently after

the Second with the formation of the United Nations Educational, Scientific and Cultural Organization (UNESCO)? Weren't science's superstars, Albert Einstein and Claude Levi-Strauss, major advocates? Wasn't UNESCO's founding preamble scribbled with the conviction that cooperation in science, the circulation of knowledge and cultural integrity would enlighten finally the minds of "men" (in its language) towards a peaceful world? Didn't most of our epistemic communities, the very international associations of our disciplines, emerge out of its mandate? The flow of such an energy was assisted by fashion: wasn't the globalisation idea a kind of Durkheimian utopia, that once we understood our mutuality, our interdependency, once our interconnectivity was grasped, we would be crafting the ethics of our moral cohesion? The thought of an alternative "humanitude" had a robust innings in the Mandela period which culminated in the year 2000 (with his departure from politics as well) with the UN declaring it as the Year of Peace, prefiguring many to follow?

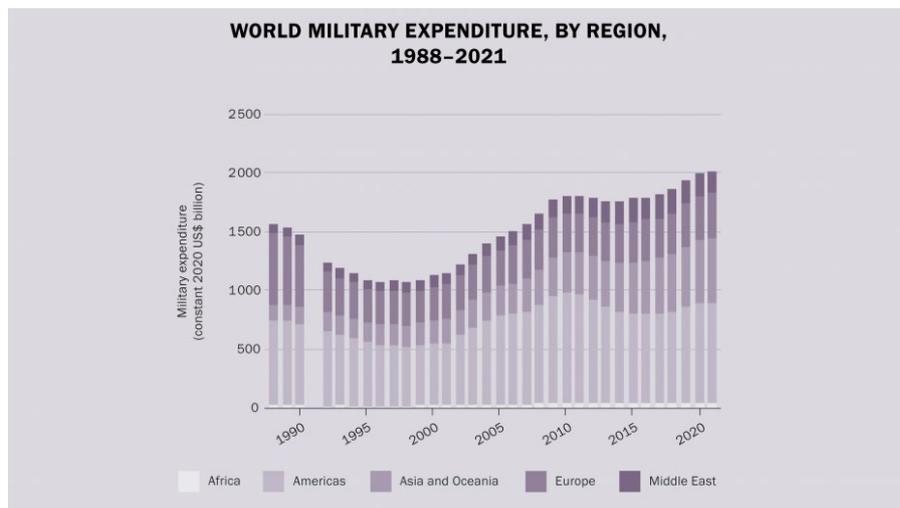
As indicated, the energy carried us (and me) past the 2000s, despite and because of new military adventures.



**Militarisation and military expenditure started ratcheting up since 2000 – even before the Twin Towers, 9/11 and the War on Terror.**

There was, as I argued in “The Ethic of Reconciliation,”<sup>1</sup> a convergence of thinking between the South’s Neo-Gandhians (especially in Africa based on the futility and critique of armed adventurisms), the West’s reflexive thinkers who refused to be their neighbours’ keepers, post-Stalinist socialists and artists of all genres that a new Ethic was possible. The enthusiasm waned. Many of us did not read the graphs properly. Militarisation and military expenditure started ratcheting up since 2000 – even before the Twin Towers, 9/11 and the War on Terror.

Look at the graphs of our Swedish friends– there is a global reduction in military expenditure between 1993 and 2000. But the upward trend from 2000 onwards reaches an unprecedented ascent even before the latest armament rush following the invasion of Ukraine by Russia. It seems from a tentative reading of media sources it will be doubling soon. The graph that follows, constructed by the Stockholm International Peace Research Institute (SIPRI), was accompanied by its announcement that by 2022 world military expenditure would pass the \$2 trillion mark for the first time.



World military expenditure, by region, 1988–2021 (SIPRI 25 April 2022)

Former US president Bill Clinton had already hinted at such increases in 1994 even though he oversaw a serious reduction during his first term of office. By 1999, he was submitting to Congress a sum that foretold the new escalation. The War on Terror thereafter accelerated the trend.

It was disquieting to observe the coincidence of two world historic trends that tore at the Dividend’s weave. One would have expected that Mikhail Gorbachev’s Perestroika and the collapse of the Soviet Union would have created a “thaw” around what he and US president at that time Ronald Reagan agreed on demilitarisation and nuclear disarmament. The 1994 “Enlargement of NATO” plan, however sanitised by Clinton, was a forward-looking plan far beyond exploding Arab people in the fictive landscape of an archipelago of weapons of mass destruction. It had another Dividend: the rates of profitability by the military-industrial complex in the R&D of beyond Star Wars technologies, their manufacture and sale would be enormous. Unlike bombs they would rise, not drop.

The second was the emergence of new economic dynamisms in the world system and the unwanted arrival of China, then India as world players.

South Africa, and indeed most of Africa, was caught in these currents and counter-currents. Already by 2003, Brazil, India and South Africa found themselves leading the voice of developing societies that stymied the agreements at the World Trade Organization’s fifth Ministerial Conference held in Cancun, Mexico in 2003. What started as a panacea for Western interests hit a wall. Brazil, India and South Africa were not ready to play a one goalpost soccer game. The Lula-Singh-Mbeki axle turned a different wheel and has gone far enough to join China and Russia to morph from the India, Brazil and South Africa (IBSA) forum to Brazil, Russia and China (BRIC) in 2009 and BRICS in 2013 when South Africa was added. There was a new current pushing towards a polycentric world system away from USA dominance. The complications unleashed were plenty but they need not detain us here.

The catastrophic index was helped upwards.

In this peculiar phase, “anomalic” in one of our studies, Russia came to be reconstructed as NATO’s Other. Ever since Putin took the reins of the Bear and started on a non-compliance path, the construction of him and his nation-state ►►

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**... military escalation is a catastrophic one. It joins economic turbulence, ecosystems destruction and health crises as a source of a grand disruption and systemic failure.**

as a “folk devil” was underway. Alas, not only did the definition stick but the volatile leader was more than ready to receive such a mantle. His response to attempts to cement an anti-Russia bloc in Europe magnified hostilities.

We can spin the narrative in any direction to suit any power elite anywhere. The media have taken on such a role with gusto. The problem at the heart of all this is the waning of US hegemony (not power) – a waning that started with the Clinton years, magnified through George Bush’s, gained a breath of fresh air with Barack Obama (although he did drone-bomb more than most) and lost its bearings in Donald Trump’s era. By then US power blocs were not concerned with putting human rights and public virtue on the agenda but instead were helping to undermine by any means the Bolivarian currents in the Americas, trying to alter the drift into multipolarity, shake out China by force or fiat, arm Eastern Europe, displace BRICS and ratchet up arms sales.



Source: Wikimedia Commons

So here we are, the trend of military escalation is a catastrophic one. It joins economic turbulence, ecosystems destruction and health crises as a source of a grand disruption and systemic failure.

My plea to Ramaphosa’s administration is to remain weak by bucking the trend. It must not be dragged into this hawkish trend. It must re-look at the Dividend seriously. As a nation-state the administration must make a point that we do not have enemies (our enemies are within) even though we do have strange friends. The belief in the plausibility of peace was our marker of difference

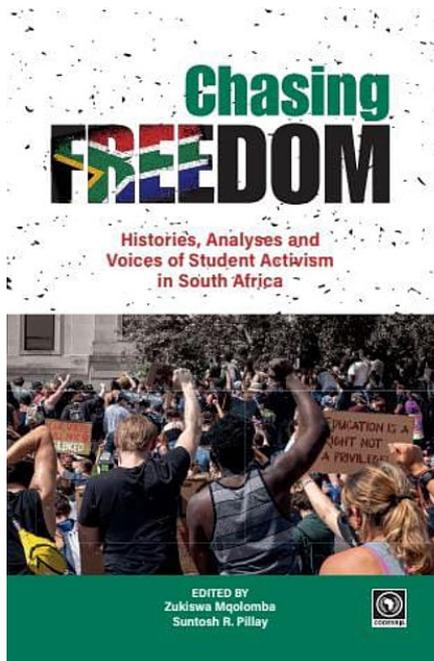
– it prompted us to bury our nuclear arsenal and recognise the primacy of sovereignty and the priority of peace on this continent. What we need is not new imperial chains but post-imperial pathways, we do not need religious or cultural polarisations but we also need to revisit the 2000 moment when Thabo Mbeki took the reins and seriously investigate what went wrong. The Mandela Dividend might be in tatters but its logic still holds.

ENDNOTES

- 1 Sitas, A. 2011. Beyond the Mandela decade: The ethic of reconciliation, *Current Sociology*, Vol 59, 5. Available at <https://doi.org/10.1177/0011392111408666> NA

# Chasing Freedom:

## Histories, Analyses and Voices of Student Activism in South Africa



Edited by Zukiswa Mqolomba and Suntesh Pillay

Ebook – available from CODESRIA, Dakar (Publisher) \$15

Book Review by Mugabe Ratshikuni

It is within this context that one welcomes the publishing of the book, *Chasing Freedom: Histories, Analyses and Voices of Student Activism in South Africa*, edited by Zukiswa Mqolomba and Suntesh Pillay. It connects different generations of student activists, giving the requisite historical context that allows us to more accurately interpret and posit the Fallist Movement, within the broader historical struggles and contributions of student activists in South Africa, moving away from the celebrity pop culture of most contemporary interpretations and analyses of the Fallist Movement.

The book is a collage of articles, written by different generations of student activists, with no clear thematic alignment weaving them together, apart from their objective and subjective interpretations of their different epochs as student activists. However, instead of being a weakness, this actually gives the book more gravitas, as we traverse a journey with these writers across different eras. It gives us a greater appreciation of the role that young people, more specifically students, have played in the evolution of our common struggle for a better, more inclusive, more equitable South African society.

It clearly shows how this struggle is bound to be hijacked by conservatism

and “status quo-ism” if we don’t create room for the next generation of student activists to play their critical role (teleologically, existentially so), in pricking our collective conscience as a society that is meandering along towards what one hopes would ultimately be progressive ideals.

As one goes through the book, each writer’s contribution shows that student struggles are profoundly germane to the persistent struggle of each generation in society. During every era, the generations are linked together by their ability to construct a historical and contextual defence of their struggles, within the ambit of the particular societal challenges and problems of each era.

The book itself is a stark reminder of the contested nature of our history of struggle as a society. The different narratives stem from diverse subjective experiences as well as certain entrenched worldviews that have arrogated to themselves the right to dictate to us how we should perceive ourselves as contemporary South Africans who are intricately involved in this history of struggle, whether we are conscious of it or not.

The broad scope and range of essays by each of the contributors is an indication of the plethora of issues that ►

One of the fundamental criticisms of the Fallist Movement was that it created celebrities out of the prominent leaders of the movement, without in any way drawing a connection between the struggle for free higher education in South Africa at the time of the Fallist Movement and the struggles of previous generations of student activists in South Africa, which includes the contribution of these prior generations to the advancement of the free higher education struggle in the country. This was a struggle that reached its zenith during the Fallist Movement, but did not originate from within that period, as ahistorical accounts of the period would have us believe.

make contemporary South Africa such a complex and fascinating society to try and decipher, a society that continues to wrestle with the true meaning of its attempt to resolve the “historical injustice”, to borrow from the title of a very famous speech by former President Thabo Mbeki.

The different eras of student activism and subject matter that are covered within this book, in light of the Fallist Movement’s aims and objectives, give one a clear indication of the profound nature of these words from Frantz Fanon in his book, *The Wretched of the Earth*, to a developing country with colonial baggage like contemporary South Africa:

[U]nder the colonial system, a middle class which accumulates capital is an impossible phenomenon. Now, precisely, it would seem that the historical vocation of an authentic national middle class in an under-developed country is to repudiate its own nature in so far as it is bourgeois, that is to say in so far as it is the tool of capitalism, and to make itself the willing slave

of that revolutionary capital which is the people.

“In an under-developed country an authentic national middle class ought to consider as its bounden duty to betray the calling fate has marked out for it, and to put itself to school with the people: in other words to put at the people’s disposal the intellectual and technical capital that it has snatched when going through the colonial universities.

The struggle of the emergent national middle class within a post-colonial society like South Africa (perhaps neo-colonial would be a more accurate description in this regard) to assert itself; for self-determination within a multicultural modern environment that requires a “plurality of centres” and “moving the centre within nations”(not just between nations) to borrow from Ngugi wa Thiong’o’s *Moving the Centre: The Struggle for Cultural Freedoms*, is right at the heart of the prominent issues that were brought to the fore by the Fallist Movement and the struggles of student activists over

various epochs covered in the book. These are issues that still need to be wrestled with in contemporary South Africa as we strive towards nationhood and a society that is inclusive of all. Hence the essays in the book speak directly to progressive discourse within the country.

It touches on critical issues of social exclusion and economic marginalisation; of race and ethnicity; of culture, language and power; of gender and identity; of ubuntu versus materialism and hedonism within a pluralistic modern society with progressive aspirations such as contemporary South Africa. Ultimately, as one goes through the essays in the book, one is reminded of these poignant words from the poem titled “*Higher Education*” by the poet B.W Vilakazi:

Those I grew with, those  
unlettered  
When they meet me, they  
despise me  
Seeing me walk on naked  
feet while they travel in their  
cars  
Leaving me to breathe their  
dust:  
Those today are chiefs and  
masters **NA**

# We need a new non-aligned movement

## and the audacity to imagine a new international economic order

*By Yanis Varoufakis*

*Below read the word-for-word transcript of the lecture delivered by the former Greek Minister of Finance and current member of Parliament on the occasion of the second annual Ben Turok Memorial Lecture.*

I want to thank the Institute for African Alternatives for this profound honour to deliver this second, I believe, Memorial Lecture for Ben Turok. Ben was mentioned to me in South Africa by another great freedom fighter who acts as bridge between you and me here in Greece, George Bizos. It was in his house with his family when he mentioned Ben Turok, Ben's work and the common concern, or maybe horror is a better, a more appropriate word, that George and Ben and many others felt, I have to say I share that horror from a distance, at the thought that the whole panoply of inequalities, inequities and injustices of Apartheid would survive, in to use a phrase by Ben Turok, in "the shadow of liberation".

It was George Bizos who pointed out that Ben Turok was one of the protagonists of thinking and acting as a means of countering that fear, that horror, that reality because, let's face it, while the demise of Apartheid at the

legal level, at the level of political rights and formal rights was a great triumph of humanity, one that we all celebrated, and we should continue to celebrate, at the very same time economic Apartheid has a capacity to linger. It can be found not just in South Africa, but it can be found in the streets of Athens, the suburbs of London, in Washington, DC, where you see the effect of unequally distributed property rights on dividing societies with almost as great efficacy as the brutality of an Apartheid regime can.

So, I begin my address to you, friends and comrades, brothers and sisters in South Africa, with regret mixed and blended in with a deep appreciation, a deep sense of debt to you for selecting me to deliver this speech, this lecture from Athens, Greece.

I mentioned property rights... There is a triangle of power that is reproduced and implemented and exacted upon people which I believe that Ben Turok spent a lot of his academic thinking and energy, his activism, understanding and countering.

What is this triangle? I've mentioned one of the three aspects of this triangle ... property rights. There is a second one. Investment and industrial policy, strategy and practice. Without investment in the capacity to produce things that society needs even the best intentions and the most democratic of political systems cannot utilize in order



to deliver shared prosperity, which is of course what Ben Turok, what every progressive around the world, cares for.

So, property rights and industrial or investment policy and austerity. I believe Ben Turok waged a war against austerity, as I tried to do here in Greece, in Britain, in Europe, wherever I can, like every progressive, and actually logical and rational person should.

One of the fascinating puzzles regarding austerity concerns the inability of any rational mind to find a rationale for it because austerity is by definition a failed policy. It's an utterly mad, sad and bad policy that has never worked and can never work.

Now, if what I'm just saying is right, why is it so popular? The answer is contained in the other parts of the same triangle [of power], in the distribution of property rights and the means by which investment is channelled and >>



**I believe Ben Turok waged a war against austerity ... as every progressive, logical and rational person should.**

the particular channels along which investment funding travels.

Let me try to bring this a little bit together. Austerity can never work for the very simple reason that the macro economy is nothing like the micro economy, in the same way that in physics the rules of thermodynamic Newtonian physics do not work at the level of quantum mechanics. Similarly, what applies to you and me as individuals, to small business, or actually any business, does not apply to the economy at large.

And what rule is that? Well, that if the going gets tough you need to tighten your belt. You and I need to do it if at the end of the week our revenues, our income falls short of our expenditure, it is madness to continue spending as much as we did before because that means we'll simply get into debt and our creditors are going to throttle us. So, we need to tighten our belt. Parsimony at the individual level is, of course, a virtue. But when you project from the level of the individual, the firm, or the small entity to the macro economy you fall into the trap of what John Maynard Keynes referred to as the fallacy of composition.

The reason why what works at the micro level doesn't work at a macro level, that is belt tightening, is very simple. You and me, and the company, or an institute, an NGO "enjoy" the

splendid independence of our income from our expenditure. If tonight I do not go out to eat at a restaurant and save that money that does not affect my income. My income is what it is so I save money if I don't go out to a restaurant to eat tonight. But if the state tries to do that, in the midst of a crisis...

You have a recession, even a small recession. What does this mean? By definition a recession means that the private sector is cutting down on its expenditure on labour, capital, investment, on this or the other. So, you have private expenditure falling, shrinking, it doesn't matter how fast, that is the definition of a recession. If in that recessionary period the state, because it is going into the red, because the deficit of the government budget is increasing, which is natural during a recession, because when private expenditure falls, then the tax treaties of the government fall, and at the same time, maybe because there is an uptick in unemployment, for example, the government needs to pay more in unemployment benefits, health benefits, social benefits to the poor, to those who are suffering as a result of the recession, so the budget deficit increases. If the government tries to cut it through cutting public expenditure it will be like cutting off your nose to spite your face, unlike in your [personal] situation or in my situation, where our own budget deficit requires that we cut expenditure. If the government does that, what will it be doing? What it will be doing is that during a period of shrinking, private expenditure, public expenditure will also be shrinking.

Now, what is the sum of private and public expenditure? It is national income. This is why, as I said before, the government, the state, the national economy, the macro economy does not enjoy the splendid independence of expenditures from incomes. They are one and the same thing. The total expenditure equals the total link. So, austerity is bound, even if it is well

meant by the finance minister, even if the finance minister thinks "I have a budget deficit, I am going to cut down my public expenditure in order to shrink my budget deficit" –even if the finance minister is uneducated enough to think that with good intentions-- good intentions don't stop austerity from being self-defeating.

Why is this? Because in the end by cutting public expenditure yes, the expenses of the government will go down but at the same time national income is going to shrink faster. As national income shrinks faster the tax revenues of the finance minister will shrink faster than the expenditures of the government so the deficit ends up increasing as a result of the attempts to shrink it through public expenditure cuts.

This is something we have known at least since the 1930s or maybe the 1920s. Keynes knew it before.

If I am right, that it is so self-evident, and if I am right that empirical evidence confirms that austerity has never worked, during periods of recession no government has managed to reduce its government deficits simply by austerean measures, cutting down on public expenditure and increasing taxation, why is it so popular?

As we speak there is a new government, the third in a few months, in London, in the United Kingdom. Rishi Sunak, the new prime minister and his Chancellor of the Exchequer are practicing austerity 2.0. Austerity 1.0 came after 2010 with George Osborne then Chancellor of the Exchequer, who experienced what I just described for you, that is the fallacy of composition. George Osborne, with austerity 1.0, cut and cut and cut. The result is the poor state of the National Health Service in Britain today, the poor state of the social fabric of the United Kingdom, the discontent which fuelled Brexit, and so on. That was all the doing of the austerity 1.0 of George Osborne.

And what did he achieve at the level of fiscal policy? Well, what happened



**One of the fascinating puzzles regarding austerity concerns the inability of any rational mind to find a rationale for it**

was the public sector borrowing requirement was increasing constantly the more George Osborne was practicing austerity. So, we know it doesn't work.

And yet austerity 2.0 is now back on in the United Kingdom. Why is that? Another question, it's the same question, but put in a different national context.

In 2010 this place here, Greece, went belly up. We became utterly and irretrievably bankrupt as a state, banking system, private sector, the whole country. I am not going to bore you with the story of why that happened but it happened. We had a budget deficit of 15% of GDP. We had a debt that could not be repaid, the interest rates that we could borrow out as a state had gone through the roof and the GDP was in freefall.

The great and the good, the International Monetary Fund, came here with a template of a solution which they started developing in Africa in the 1970s, the Structural Adjustment Programmes, SAPs. They brought them to Greece in 2010. Some people, like myself, we were warning them that they are going to make a bad thing worse, that this is no solution. They came, and they imposed massive austerity, the largest austerity in the history of capitalism, including Africa. The austerity they imposed here was worse in terms of magnitude than any of the SAPs in Africa and lo and behold, we had a 28% fall in GDP. People

were eating out of rubbish bins in a middle-income country like Greece. It was not Zambia. It was not Uganda. It was not Bangladesh. It was a relatively developed country where hunger had been eradicated, where Nazism had been defeated, and within one year we had hunger and Nazis in our Parliament. The third largest party was not a new Nazi party. It was a Nazi party. There was nothing new about them. They were old fashioned Hitlerites.

Didn't they know, the good people of the International Monetary Fund know that this would be the result? It is a rhetorical question. I am not going to even answer it. But this is the same question concerning Britain in 2010, with George Osborne. Didn't he know that his austerity would fail? Doesn't Rishi Sunak today know that austerity will fail? Doesn't the IMF know that in Sri Lanka that the cure for the domestic economy's problems cannot be austerity, and yet, as we speak, what they are trying to do is to impose upon Sri Lanka an austerity package as part of a "rescue" plan.

I mean there are some people in the IMF, some people in World Bank, some people in the Bank of England, some people in the European Central Bank, some people in the Federal Reserve who are very smart and know everything that you and I know.

But institutionally speaking whenever I have to choose between the following two explanations: One explanation is stupidity, no they don't know, they are uneducated and they don't understand the difference between macro and micro. Or the explanation, but they know exactly what they're doing. But there is another motive behind what they're doing. In other words, are they stupid or are they guilty?

I always avoid explaining what they do on the basis of assuming stupidity, so let me give you my explanation of why austerity is so popular. It's my explanation, it could be wrong. My understanding, beginning with the

United Kingdom... The reason why austerity 2.0 is being imposed is very simple, from my perspective. After Margaret Thatcher attacked the working class by selling their council houses and privatising public utilities, shutting down industries in order to divide the working class between the ones that are thrown into the dustbin of history and the other ones who retain a job and become financialised. In other words, they buy their own council house with a mortgage from the bank so they become part of the financial system and they see rapid increases in their wealth, at least on paper.

From the moment Thatcher put Britain on that path, the whole of the British economy is founded on the housing market. House prices have to keep going up in order to maintain a de-industrialising Britain with a semblance of growth and prosperity. Now that we have a bout of inflation and interest rates must rise, if the interest rates rise to the level which is necessary to arrest inflation, the housing bubble is burst and the whole political economy which supports the subjugation of Britain's working class. The treatment of the north of England, of the working class in Britain, which resembles the way that the British Empire treated India during the era of the British Empire. That model collapses so they prefer austerity because austerity is a form of fiscal class war against the needy, against the weakest members of society. It reduces the bargaining power of individual workers. Trade unions have been rendered more or less irrelevant by 30, 40 years of Thatcherism and neoliberalism. That is Britain.

Why did they impose austerity here in Greece? Because it was their way of destroying the commons, destroying the trade unions, destroying the solidarity between the generations, between the grandfathers and the grandmothers on the one hand and the grandchildren on the other and succeeding in transferring every ➤



**... austerity is by definition a failed policy. It's an utterly mad, sad and bad policy that has never worked and can never work.**

asset owned by the state to foreign multinationals and foreign funds, funds based in Delaware, in New Jersey, and the Cayman islands, that are taking over most of our cities in terms of repossessing private dwellings as well as all our airports, all our ports, all our infrastructure, our water. even the sun in terms of solar panels that are being installed on agricultural land that has been confiscated from bankrupt farmers That's a form of colonialism.

Amartya Sen, the Nobel prize-winning Indian economist, said to me some time back in 2015, he said "you know, Yanis, the problem that you're facing when you're negotiating with these people is that you are negotiating for the first time ever it has happened in the political economy that I know of, with creditors who don't want their money back. What they want is the Greek debt to remain unpayable because the debt is a weapon by which the very, very few, the transnational oligarchy across borders can get their hands on public and private assets that are lucrative and have a long-term capacity to produce rents for that privileged oligarchy." Now that is to me a very good way of describing colonialism. So, colonialism spread out of Africa. It started with the structural adjustment programmes of the IMF in Africa. Then whenever you had a bankruptcy, like

in South Korea in 1998, it moved there. Then in Greece, in Ireland, in Portugal, in Italy during the debt crisis in the Eurozone, those structural adjustment programmes came to Europe. Now they are making their way to Sri Lanka, and they're going back to the development world and the global South. So that is a dynamic shift of austerity from continent to continent, from the global South through the global North, then back to the global South and back to the Global North.

And it's connected to the two other parts of the triangle that I described before, austerity, property rights and industrial policy. With property rights you have the wholesale confiscation of the property of the many by the very, very few worldwide. Where does industrial policy fit into this? Well, think of the flow of capital ever since the Bretton Woods system collapsed in 1971. Here you have a very interesting global setting. Between 1944/1950, the commencement of the Bretton Woods system and 1971, global capitalism was managed centrally. We had the Bretton Woods system which fixed exchange rate, essentially using the dollar as the anchor of the international global capital system. It used capital controls to prevent finance from dominating industrial capital. It was a golden era of capitalism; it was a golden era of Industrial capitalism.

Your country suffered apartheid during that time. My country experienced a CIA-led fascist dictatorship, but nevertheless it was the golden era of capitalism with very low levels of inflation, very low levels of unemployment, and diminishing inequality. These are all themes that I believe Ben Turok was interested in. That system, Bretton Woods, died in 1971 with the famous Nixon shock. That wasn't the making of Richard Nixon. he just happened to be in the White House when that system had to be blown up.

Now, why did it have to be blown up? Because the whole system was

predicated on the assumption that the United States of America would be the surplus country, the country that had a trade surplus with the rest of the world, which meant that that surplus would allow for the dollars that the United States had shared with the rest of the capitalist world to flow back into the United States, because when the Americans were selling more stuff to Europeans, Japanese, Africans than they were importing from them that meant that there was a constant stream of dollars made available to the rest of the world, flooding back into the United States. So American net exports were flooding the world and dollars were returning, being repatriated, into the United States. That was the logic of the Bretton Woods system, the logic of the golden era of capitalism in the fifties and sixties.

Now came the Vietnam War and the great society of Lyndon Johnson, the social programmes that were necessary in order to quell the internal domestic conflicts created by the Vietnam war and the civil rights movement and so on, their internal apartheid, especially in the South of the United States, that rendered the United States a deficit country. The surplus became a deficit. The Bretton Woods system was reliant on the surplus to survive. American policymakers chose not to tighten belts. They did not do austerity, which is quite interesting. The hub of capitalism and the gurus of high-end capitalism understood that austerity was a failed policy, and they never implemented it in their own country. They did the opposite. They hit the accelerator of their deficits. They increased their deficits.

Who paid for them? It was the rest of the world because in the second post-war phase of global capitalism we have the situation whereby the rest of the world was sending its net exports to the United States. This is the opposite of what was going on before in the fifties and sixties under the Bretton Woods system. So German net exports, Italian



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**If the government tries to cut [the deficit] through cutting public expenditure it will be like cutting off your nose to spite your face.**

net exports, Japanese net exports and eventually Chinese net exports were going to the United States. Dollars were flooding in Europe and Japan and China. This is why China has most of its savings in American dollar-denominated assets. That was the second phase. It's generally known as the face of neoliberalism. I don't like the word because it's neither new nor liberal. It's the period of financialisation and financialisation was the result of the recycling, the global recycling of wealth produced by asymmetrical property rights. That recycling was a very weird one because for the first time in human history, the hegemonic power is going more and more into the red, into deficit and the more it goes into deficit, the more hegemonic it becomes.

Other empires, like the Roman Empire, the British Empire, collapsed when they got into deficit. But the more the United States got into deficit the more powerful they are becoming, at least until recently. Austerity was reserved for the countries that were essential in maintaining the transfer of property rights from the many to the few.

An ancient Greek, Pericles, talked about the importance of shrinking poverty in a democracy. Allow me a brief interruption of my macro-economic global/micro-economic

narrative by mentioning another ancient Greek, this time, Aristotle, whose definition of democracy I think is very pertinent, not just in this discussion, but in every discussion involving democrats and activists. Do you remember how he described democracy? By the way Aristotle was not democratic, he didn't like democracy, like Plato, they hated democracy. They were in favour of aristocracy but Aristotle at least had a very sharp mind and he knew how to describe and define democracy properly. He defined it as a system where government is exercised by the majority who happens to be the poor. So, in other words austerity is the opposite of democracy.

Austerity is a policy whose purpose is, at the expense of the total size of the pie, at the expense, in other words, of that great holy cow of free marketeers, efficiency – because that is what it means to shrink the pie, inefficiency, which is the opposite of productivity. The opposite of efficiency is the shrinkage of the pie at the expense of shrinking the pie to redistribute it from the many to the few. That's oligarchy. So, austerity, oligarchy, the transfer of property rights from the many to the few, the plunder of the commons, in other words, by the oligarchs internationally. These are two sides of the same coin. This is where investment comes in.

The second phase of the post-war era that I described, this very weird recycling system, where the rest of the world is sending their profits and surpluses to the United States and the United States uses them in order to import into its territory the net exports of the rest of the world. This is the situation between the 1970s and 2008.

After the mid-1970s you have the net exports of Germany, of Italy, of France, of Japan, of China, of South Africa moving into the United States. At the same time 70% of the profits that the Italian, German, French, South African,

Saudi Arabian, Korean, Japanese and later Chinese capitals were making were going also into the United States to be invested in Wall Street, and that created financialisation. When you give bankers in Wall Street a few million dollars they find ways of multiplying them. It's called financialisation, through derivatives through wages, through very complicated forms of debt and complicated self-referential bets about bets, about bets.... This was the financialisation drive. Between the 1970s and 2007 a substantial part of that money that was being exported from the rest of the world to Wall Street and financialised found itself converted into investment, very skewed investment, investment usually in things we don't need as humanity like, more four-wheel drive cars and apartments for the rich and motorways going nowhere. But nevertheless, it was invested.

That bubble, however, that tsunami of financialised money that was turbocharged into the stratosphere by Wall Street and the city of London crashed and burned in 2008.

Then what happens is the G7, the G20 get together in London in April of 2009, and under the leadership of Gordon Brown, who happened to be the UK's Prime Minister at the time, and for the first time, and probably the last time, they managed to actually coordinate their policies. The G7 and the G20. And the coordination had two planks. They printed something between \$15 and \$25 trillion to reflow finance, the financial institutions that had all gone bankrupt in 2007/2008. That's what I call socialism for the bankers. You use the state banks to print money to give free money, you pluck the money tree to save and to bail out the bankers.

That's the difference between 2008 and 1929. They were very similar crisis, except in 1929, the central banks did not bail out the bankers. The bankers and the banks were allowed to go bankrupt but in 2008/2009 the bankers were saved, were bailed out along with their banks ►►



**... austerity is a form of fiscal class war against the needy, against the weakest members of society.**

using state money. That was one plank.

The second plank of the international coordination was universal austerity, the austerity that we experienced here in Greece. Greece was a laboratory, in the same way that Africa was a laboratory in the 1970s and early 1980s for structural adjustment programmes, Greece was a laboratory for this combination of socialism for the bankers – they saved the big banks and the bankers themselves and the oligarchs with public money, while at the same time practicing the worst austerity, and that spread everywhere. It started in Greece, went to Portugal, Ireland, Spain, Italy, Germany, a country full of surpluses without any hint of bankruptcy – except the banks – and the working class of Germany suffered immense austerity.

It was this combination of fiscal and monetary policy, socialism for the bankers and austerity for everyone else, that created the most profound shift in property rights from hundreds of millions of Europeans to very, very few institutional investors in Germany.

Let me give you a simple example. From 2009 to 2020/2021, even the beginning of this year, 2022, especially during the pandemic, in order to stabilise global capitalism following the debt crisis, the banking crisis, the pandemic, the European Central Bank or the Fed or the Bank of England would print billions every day. Now, how does the system work? Let's use the European

example, but it makes no difference. I could use the British example or the American example. Somebody from the European Central Bank in Frankfurt would call Société Générale in Paris and say "I've just printed a couple of billions for you. I'll give it to you at - 0.7% interest. I will be paying you 0.7% to take this money off me. Do you want it?" Société Générale would say "yes, of course, bring it on," not even thinking for one second of lending it for investment purposes to companies and businesses because they would look at the many who were impecunious and say "as if they will ever be able to pay it back, we're not giving it to them". So, they would pick up the phone and would call Jeff Bezos from Amazon, or they would call Google, Microsoft, Volkswagen, Krupp, Aston... They would call the Big Fish, the conglomerates, and say, "I've got half a billion for you. Would you like it? I'll give it to you for 0% interest rate", thus the banks, Société Générale would make a spread. It was receiving money from the European Central Bank at -0.7% and would lend it at 0%. Fantastic. For no effort a very nice little earner for Société Général, a bank that had already been saved by the Greek taxpayers, the German taxpayers, all the taxpayers, it would be making a little bit on the side through quantitative easing, through this policy of socialism for the financiers. Then Volkswagen would get their money, half a billion dollars or 1 billion dollars and they would look at the market in Germany, in France, in South Africa, and ask themselves, should we invest in a Tesla competitor, a high-end modern battery car that can compete with Elon Musk's Tesla?

That would take a lot of investment, but if there was demand for it, they could sell it for 100,000 euros each one of them. This is the going price for one of these mega cars that are battery driven at the level of Tesla. They would make money. But they would look at the people of Europe who were

suffering austerity during the largesse, the socialism for the bankers, and they would say "no, they won't be able to afford such a car, so I'm not going to invest." So, they would have this half a billion dollars that they would have taken from the Société Générale who had taken it from the European Central Bank and they would say, "what are we going to do with this?"

I'll tell you what they did. They went to the stock exchange and they bought Volkswagen shares because that pushed the share price of Volkswagen shares up. The salaries of the members of the Board of Directors of Volkswagen are linked to the share price, so they made a nice little earner and they bought a flat in Berlin or a house in Munich. The house prices went up, the many suffered because they could not keep up with the rents at the time when prices were stuck or negative, and wages were stuck or negative. I am very concerned that I must honour the memory of Ben Turok and bring together the concepts of investment, of unequal property rights and austerity.

I'm trying to put these in a broader context, which tells a story about how the post-war era has been one of a permanent, global, colonial-like class war which is being expedited and is being prosecuted in every country on every continent, with parts of the global South being transferred to the global North.

In other words, you have the popularisation of whole segments of the population of Britain, the United States who get radicalised in the wrong way because of the failures of the Left, and they start falling for racists, Trumpists, fascists. Italy now has a fascist government, as we speak. It is preposterous. As I mentioned before, the first impact of austerity in my country was the rise of a Nazi party from nowhere.

But let me speak now to the title that I chose for today's talk because I haven't done that yet. I was going to use my introduction in order to create



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**Trade unions have been rendered more or less irrelevant by 30, 40 years of Thatcherism and neoliberalism.**

a foundation for my hypothesis about the new Cold War that is happening all around us, and the new colonialism, the new escapade of colonial power.

The latter I've already introduced, because there's nothing really new about it. The only thing that is new is that colonialism is spreading out of the global South to the global North. My country is now a penal colony, is a debt colony of Frankfurt, of Brussels, of Washington DC, in a way that it never was even under the Ottoman Empire.

But straight to the New Cold War, if I may. How did it begin? It began with Donald Trump. We already have seen, I hope, that Donald Trump is a symptom, like Meloni in Italy, like Brexit in Britain, like the fascist, the Nazis, the golden dawn Nazis here in Greece. They are a symptom of the crisis that started in 2008 and proceeded with socialism for the bankers and austerity for everyone. Humiliated people, people wallowing in hopelessness watching a huge amount of money being minted on behalf of the very few, while they are subjected to the class war that is known as austerity, with property rights being taken away from them, and their commons being plundered all over the world.

That anger, especially when we of the Left have failed to provide an internationalist agenda for change following our 1991 defeat. The Left internationally suffered a major defeat in 1991. Those people who suffer

across the world are very prone to fall for somebody like Donald Trump, who like Hitler and Mussolini in the 1920s promised the humiliated, the downtrodden to make them proud again. The Faustian bargain was “you give me authoritarian power, forget about democracy, about humanism, about trade unions, about social organisations, about autonomy. You give me the power which I need, and I will make Italy great again, or Greece great, or America great again.” This is what Trump did.

What was the first thing that Trump did? To start the new Cold War against China. Why? Trump is not a warrior, Trump didn't start a war, unlike Democrat or Republican presidents did before him, but he started a Cold War, a commercial war with China.

If you look at what fascists always did, and neo-fascists always do, in the name of making the downtrodden proud again, once they are in power, the first thing they do is they appoint a banker to the finance ministry. He was going to drain the swamp, and he was going to attack Wall Street. The first thing he did was he took a man from Goldman Sachs and made him finance minister. The second thing he did was he looked at what was left of the hegemonic technological prowess of the United States, Silicon Valley. He looks at China. Whatever we may think about the Chinese Communist party, human rights, and so on – and I have a lot to say about that, but let's stick to this political economy perspective in honour of Ben Turok. China, from the Trumpian mindset, has two castles that must fall. One is its own financial sector, which is not controlled by Wall Street. We need to conquer it, he thinks, on behalf of Wall Street. The second one is Big Tech. The only country in the world that is competitive with Facebook, Google, Twitter, Amazon, even Tesla is China. They have Alibaba, they have Tencent, they have WeChat, they have a remarkable homegrown big tech

industry. That is the second castle that must fall.

So, the first thing he does is he targets banks, the financial sector of China and demands the liberalisation of finance, which would be a catastrophe for China if they did it, in the same way that it was a catastrophe for South Korea when they heard the Americans, and they did it in the 1990s. The result was the 1998 South East Asia collapse. And the second thing that Trump wants to do is he wanted to attack the Chinese big Tech. He effectively wants data freedom, as he called it at some point.

He embarks upon it, but it's a limited kind of economic war. This is still not a New Cold War. That took a Democrat to move into the White House. In October Joe Biden issued a declaration of economic war against China when he banned any American person, – not American citizen – but anybody with a green card or any kind of visa, or anybody with any kind of relationship with the United States, even if they are not Americans, is considered an American person, who deals with the Chinese, who trades with the Chinese anything that can be deemed of help to the Chinese to produce advanced microchips is declared illegal. That is effectively telling President Xi and the Chinese we will crush you economically, we will not allow you to develop technologically. And since technology and now algorithmic capital, I call it, or cloud capital, capital which lives up in the cloud which is not simply means of production, produced means of production, steam engines and diesel engines and jet engines but it's this amazing algorithmic capital which lives in the cloud which effectively is a produced means of modifying people's behaviour in the interests of the owner of that cloud capital, like Amazon.com. Essentially Joe Biden told the Chinese we are now in a state of total economic war.

Now, why is this of interest to you? Well, for two reasons. Firstly, the way the global economy has been functioning over the last 30 years is >>



**With property rights you have the wholesale confiscation of the property of the many by the very, very few worldwide.**

predicated upon Chinese savings. Remember the point I was making about the global recycling mechanism where, since the 1970s, America has a deficit that which is being financed by a transfer of savings from net exporters, like China, to the United States.

Of all the net exporters in the world today the Chinese are the most significant percentage. So, the global stability or instability or unbalanced disequilibrium, what is left of the stability of the global economic system in which South Africa is trying to survive is now being upended by measures of the Washington DC administration, the Joe Biden administration – and I am not judging them politically or morally, I am just trying to be as objective as I can. These measures, the declaration of economic warfare on the Chinese, together with the first decision taken regarding sanctions after Vladimir Putin invaded the Ukraine, remember what it was? The confiscation of \$600 billion dollars' worth of central bank of Russian money. This is the first time in the history of capitalism that central money has been confiscated by another central bank. It's never happened before, even during the Crimea war in the in the 19th century [when] the British were fighting the Russians [and] the British banks were paying their dues to the Russian banks, and the Russian central

bank was paying its dues to the Bank of England. So, this is the first time this has happened.

Why is it significant? Well, if you were a Chinese saver or mega industrialist or the Chinese Finance Minister wouldn't you be utterly worried that you have 3 trillion dollars invested in American assets which can be confiscated at the drop of a hat by any American president? Of course, you would be worried. And what would you do? First you would do what President Xi in China is doing today. He is trying to effectively turn China into an autarchy economy. It makes perfect sense for them to do that. The second thing they will do, and are already doing, is try to create an alternative payment system that does not rely on the dollar, and does not rely on the machinery that the Fed and the American Authorities control, like for instance, Swift. They are doing this with the electronic yuan, the e-yuan, which is a major development and a major repercussion even though it was an unintended consequence, repercussion of the war in Ukraine.

If China succeeds in doing that, then South Africa is going to find itself in a world where financial flows and investment funding will dry up. Completely dry up. I don't know what effect that will have on the average Chinese citizen but I know that the average American is going to suffer because it will mean that the low consumer prices which were predicated on cheap Chinese imports and the export of Chinese profits to Wall Street, to finance the way of life of middle Americans, that is going to suffer. What I do know is that those countries like South Africa that are trying to move up the value chain through investment, your country is going to have an increasing amount of difficulty drawing the funding which is necessary in order to participate in a global economy, simply because this global capitalist economy is going to be shrinking and shrinking and shrinking.

I have no idea how this is going to pan out, but what I do know is that the elephant in this room tonight, the big issue that went unsaid, when added to all the issues that I spoke about, climate change, is creating a very bleak set of circumstances for our children and their kids. In a world that is increasingly destabilised by this new Cold War, in a continent like Africa which has increasingly relied on Chinese investment, which was the result of China's role of financing the United States' model of capitalism in a world where we will need, if we are going to avert catastrophe, to divert 10% of global GDP to green energy and the green transition. This new Cold War and the increasing use of austerity for the purpose of shifting property rights from the many to the few globally is creating a fundamental instability and a set of obstacles for countries like South Africa, countries like Greece, countries that are losing any power to reproduce the circumstances of generating their own conditions for shared prosperity.

I will end by reminding you that we are approaching the 50th anniversary of the non-aligned movement of the 1960s and 1970s. Remember that 50 years ago the non-aligned movement tried to create what they referred to back then as a new international economic order, elements of which succeeded in creating generic drugs, for instance, generic pharmaceuticals but which in the end collapsed because of the debt crisis and the inflationary crisis of the 1970s.

I trust, and I submit to you, that progressives in South Africa, in Europe, in India, in China, in the United States, across the world, we have a task. We have a task to revive the idea of a non-aligned movement struggling to create a new international economic order. The first task or subtask should be to direct large amounts of money, 10% of global GDP, into things that humanity craves, from plentiful green energy and public health, to public education, and indeed, poverty alleviation.



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**... whole segments of the population of Britain, the United States [who] get radicalised in the wrong way ... and they start falling for racists, Trumpists, fascists.**

Can this be done? Well, technically yes, it can be done. Imagine for a moment – just go along with my narrative – imagine a repurposed World Bank backed by a digital currency issued by a repurposed International Monetary Fund investing 10% of global income into the green transition in the developing world.

Well, this is a dream, but technically it can be done in two months. It’s an extension of the idea that John Maynard Keynes presented at the Bretton Woods conference in New Hampshire, in the United States, in 1944.

The reason why it is an impossible dream today is because it will never happen as long as the global empire

of capital remains intact. And that, I believe, is our second task.

The second task or sub task is to end the tyranny of capital over people so that for the first time instead of people serving an empire of machines and of money, machines and money become the servants of our peoples.

Now of course you may ask what does it mean in practice to topple the empire of capital? How can humanity reclaim the plundered commons on our land, in the oceans, in the air, and soon, you know, in outer space? Think, Elon Musk.

I shall conclude by answering in two ways. By ensuring that corporations belong to those who work in them on the basis of one employee, one share, one vote. And by denying banks the monopoly over people’s transactions.

If we can imagine that, then suddenly banks and profits will wither and our economy’s driving forces will no longer be in the pockets of banks, while simultaneously there would be no distinction between profit and wages. This is the old idea of a cooperative-based enterprise. If you follow me, if you are willing to follow me thus far, this simultaneous death of the market for shares and of the labour market along with the defunding of private banks would automatically redistribute wealth, and this is a magnificent byproduct of this redistribution of wealth. It would even remove the incentive to wage war.

Now what I just described may sound far-fetched, but friends, comrades, sisters and brothers, it is the only way we can credibly speak of genuine democracy, that is democracy to be practiced in the citizens’ and the workers’ assemblies, not behind closed doors, where secretive oligarchs, together with media owners, make all the decisions on behalf of the majorities. Now this twin democratisation of money and of capital, I know it sounds like a pipe dream, but you know, once upon a time the idea that we will overthrow the divine right of kings or that we could envisage a society without slavery sounded like a pipe dream.

So, allow me to finish with a call on behalf of the Progressive International, which I think I have the right to represent amongst you tonight. The Progressive International, which this week staged the “make Amazon pay” campaign globally from Vietnam to Bangladesh to Germany to New Jersey, all the way to Seattle.

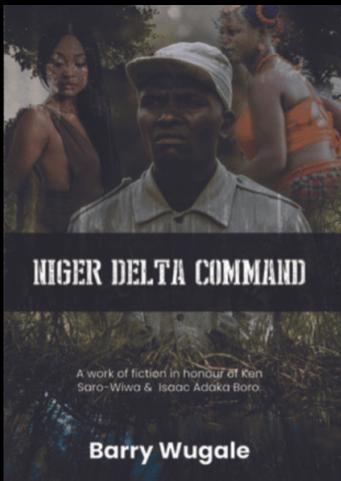
Let’s join forces. Let’s come together. Let’s unite in a common struggle, not just for the survival of humanity but for the chance of giving every child that will be born tomorrow in Africa, in Asia, across the world a chance for a successful life.

For that we need a new non-aligned movement and the audacity to imagine a new international economic order without capital ruling over human beings.

Thank you. **NA**



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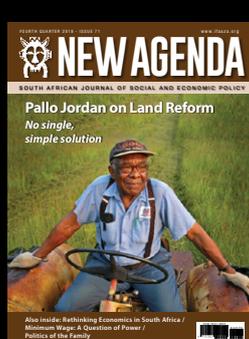
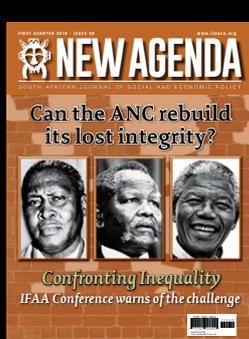
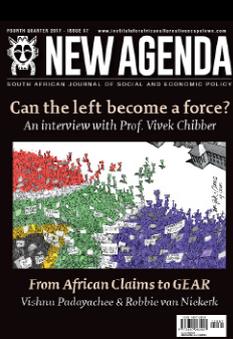
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“Our huge inequalities in wealth are intolerable, including the incredible gap between top managers and employees. Our legacy of social discrimination based on colour is unacceptable, including the persisting divide between affluent suburbs and desolate townships. Our state-owned enterprises, which are supposed to be engines for development, are actually serving as employment agencies for a small overpaid middle class. The public service has been allowed to slip into a dream walk where form filling and token effort is enough to bring in a stable income for officials.

“All this points to an urgent need for civil society and progressive intellectuals to raise their voices and demand a much more serious effort by all concerned to rebuild our country on a better foundation. Let us work on that.”  
Prof Ben Turok, 26 June 1927 – 9 December 2019  
Former editor of *New Agenda*

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