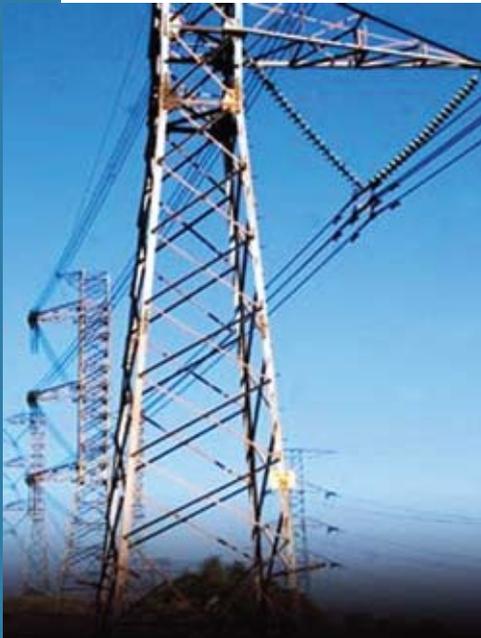




WORKERS WORLD NEWS

ALTERNATIVES TO GLOBALISATION

Issue 46 April 2008



THE ESKOM CRISIS

The Eskom Crisis

The origins of the electricity crisis can be traced to the last years of the apartheid period. Eskom used to be a state enterprise which, by law, had to see to the provision of electricity in the public interest and without a profit. As a result of this provision, and the supply of plentiful coal, South Africa had the cheapest electricity in the world. Most of this was for the benefit of the mines and big business. The white middle classes, and working class people who lived near the national grid, enjoyed this access. But almost 30% of black people, who lived outside the national grid, did not receive electricity.

Many people bought their electricity from Local Councils who in turn bought the electricity from Eskom and charged consumers a surcharge. The Councils used this money to pay for services in their municipalities. Some black townships however bought electricity directly from Eskom itself.

The Neo-liberal Chickens come home to Roost

Eskom went on a major expansion in the 1960s and because it couldn't finance this expansion out of profits or by charging higher fees, Eskom borrowed this money – from the World Bank and through selling bonds. By the 1970s Eskom was the biggest debtor in South Africa. So the apartheid government decided in 1987 to prepare Eskom for privatisation. The regime passed laws that removed the public interest and non-profit status of Eskom and made it act like a private company. Like SAR&H (now Transnet), however, Eskom could not be immediately privatised because it owed too much debt for any profit-seeking capitalist.

The campaigns of civil society

For many years COSATU had been active in campaigning for expanding the national grid to include all communities. COSATU championed the RDP with its promises of electricity for all and 2 million new connections. Within COSATU there were some differences, with NUM favouring the idea of consumers buying electricity directly from Eskom, and SAMWU wanting municipalities to continue charging an extra amount for selling electricity – to provide revenue for services.

The environmental movement campaigned against Eskom's use of nuclear energy at Koeberg and the pollution generated by cheap low-grade coal. There was at the time, however, no clear collaboration between the environmental and the labour movements about how to ensure clean energy using renewables and yet make electricity cheap and accessible to all.

The ANC's neo-liberalism

Instead of picking up on the campaigns of either COSATU or the environmental movement after 1994, the new government chose a neo-liberal route. Eskom was made to act even more like a business, becoming a company under the Company's Act, paying dividends to its "shareholder" (the state) and realising "shareholder value". Eskom's debt was taken over by the state so that Eskom could be presented as a profitable commercial enterprise.

The government decided to restructure Eskom in the following ways:

- The generation of electricity was going to be separated from transmission and distribution.
- The state would limit building new power stations and instead would have private capitalists build power stations for up to 30% of supply.
- Distribution would be taken away from both Eskom and Local municipalities and given to Regional Electricity Distributors (REDS).
- Eskom would set up Eskom Enterprises which would sell electricity as a Transnational Corporation (TNC) in Africa.

Because of this plan, and its vision of power generation coming increasingly from Independent Private Providers (IPPs), the government had not intended expanding public investment in Eskom. At the same time the state has been negotiating with big corporations – like Alcan – offering subsidised electricity to these monster users of electricity, if they

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The US Elections and the coming crisis



promised to address these dangers so that America can once again be safe.

Of course reality is not a movie. The reality is that it is not the 'terrorists' or Hugo Chavez that are the villains; it is corporate America and its warmongering allies from both the Democratic and Republican parties. They have created the potential for an unprecedented economic meltdown not only in America, but globally, that will leave very few people unscathed.

The economic crisis

The origins of the coming crisis can be traced back to the global capitalist crisis of the 1970s. Ever since this, the US's global dominance has been on the decline. In 1950, 60% of all manufactured goods were produced in the US; today the figure is only 20%. With this decline in US manufacturing, and the growth of imports, the US's trade deficit has ballooned. In 2007 alone the US's trade deficit was \$816 billion. The country's trade in services and offshore income from its TNCs fell far short of covering this. In fact, imports into the US amounted to over 14% of GDP in 2007; while its manufacturing sector only accounted for 12% of GDP. This means that the US is in deep trouble - it is impossible for a country's whose imports exceed its manufacturing production to increase its exports so as to close its trade deficit. Coupled to this, since 2002 the US has been paying out more to foreign investors than it has received from its investments abroad. The result: in 2007 alone the US current account deficit amounted to over \$ 738 billion.

How did it come to this?

In the 1980s, the Reagan administration attempted to assist companies to overcome this crisis in the manufacturing sector by deregulating

the financial sector – so as to open up new investment opportunities for corporations. Ever since, companies have begun to speculate on stock markets, bonds, and now currencies, on a colossal scale. Many manufacturing firms also entered into the financial sector through lending clients money, at high interest rates, to purchase the goods they produced. With this growing focus on the finance sector, the value of companies' stock became far more important than in the past. It has become essential for a company to have a high share price to attract financial investors, like banks and pension funds. To boost the value of their shares most of the biggest American companies borrowed money to buy back their own shares. They have also sold corporate bonds to other investors to raise capital to buy out competing companies.

All of this meant that most of the largest US companies are now heavily in debt. But instead of seeing this as a problem, these companies have begun selling this debt to other investors. The subprime crisis revealed just how dangerous this practice is. The crisis is threatening to engulf the entire global financial system. Of course, the US government has elected to bale out the major banks that have been involved in the subprime debacle. In doing so, the US state has added hundreds of billions to the country's already substantial debt.

Military spending adds to the debt

More recently George Bush has tried to boost the economy through military spending. The US's military spending for 2008 will be in excess of \$ 1 trillion. This is more than the military spending of all of the rest of the countries in the world. But the massive military spending has actually failed to improve the US's economy. It has rather added to the US's debt burden.

The elections melodrama

The US media has transformed the run-up to the 2008 US elections into a melodrama. Blazing fake bleached smiles, the respective candidates have been telling their Party audiences exactly what they want to hear: vote for me and I, like the proverbial all American hero, will take our Party to triumph and resuscitate the American dream. And a melodrama would not be a melodrama without villains. The spin doctors have created plenty of these. The prime villains in this particular saga are those terrorists from Iraq; and the cunning communist from across the pond in Venezuela. The respective heroes in this tale, Hillary Clinton, Barak Obama and John McCain, have all

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agree to locate an aluminium smelter in Coega.

The plan comes a-cropper

Despite the plan to have IPPs the capitalists are reluctant to invest in power stations. The global crisis troubling the capitalist world at present is acting as a block to such major investment. The state will have to offer more of our money as an inducement. So with the state having decided in 1997 not to expand more power and the private sector not stepping in to fill the gap there is now a crisis of too little capacity from Eskom. This is a public crisis, and we have seen, for the first time in our history, Eskom even cut the load to the mines and other big businesses.

And the idea of separating generation, from transmission and distribution – by setting up REDS – is also under threat because even the capitalists are worried that the REDS may simply not be able to deliver. Hence RED1 – in Cape Town has been put on hold.

Clearly big business cannot do without electricity and so the state has been forced to find solutions. But their solutions are still in a neo-liberal way.

The 2008 budget allocated R60million to Eskom for expansion but this is a loan – to help Eskom source more money in capital markets - and not a grant. So the commitment to keep Eskom operating like it is a private company, separated from the state, remains. Secondly Eskom is putting up its charges by 53% to finance its expansion, with Minister Alec Irwin, saying quite clearly that this is to make Eskom more attractive in capital markets. And, thirdly, Eskom is to go nuclear, signing deals with French companies to build nuclear power stations.

The responses

Despite the neo-liberal origins of the Eskom crisis, political parties and the media are looking for other scapegoats. Everywhere we are told that this is a skills crisis and that Eskom has simply not managed things properly. This is racist code for questioning why whites are not running things. These views often go together with those in the business world who see all governments as incompetent and are therefore are calling for privatisation to be sped up.

Many middle class people are simply buying generators and gearing up to have their own, private sources of

power. The state is of course embarking on a campaign to shift the responsibility away from itself and is appealing to ordinary people to be “more responsible” and use less electricity.

On the other hand the environmental movement is calling for wind and solar power, and other renewables. Some of these activists are calling for government to offer incentives for private companies who invest in renewables. Whilst the issue of clean, renewable energy is critical, these demands are sometimes posed as alternatives to Eskom. They ignore the role of the past and present state's neo-liberal policies in focusing on making Eskom market-friendly rather than people-friendly. There is a danger that these voices may be seeking individual solutions for people who can afford to set up their own energy sources, or for companies who may invest in these for profit. In this way they are ignoring the struggle for electricity for all as a human right.

To avoid these dangers activists in the labour, social and environmental movements need to find common campaigns which focus on the state's responsibility for the crisis and which raise the demand for clean electricity for all, in which Eskom is a public good.

In order to cover the costs of its military spending and its current account deficit, the US government has had to borrow at an unprecedented rate. The US has now racked up a debt of over \$ 9 trillion, of which \$ 6.5 trillion is foreign debt. In fact, countries such as China, India and Brazil have been financing this debt through buying US Treasury Bonds. With the declining dollar and the lowering of the interest rates in the US, it seems unlikely that these countries will continue to do this forever.

If one adds private debt, chalked by businesses and households, to the US government's debt, the total debt in America stands at well over

\$ 48 trillion. This is completely unsustainable. The reality is that the US is bankrupt. The US Controller General said as much when he reported to Congress that “the federal government did not maintain effective control over financial reporting and compliance with significant laws and regulations as of September 30, 2007”. In laymen's terms this means that the US government is unable to pass an audit.

Obama, Clinton can't save the US

A full blown economic meltdown is set to occur in the US. When it does, the US will face a major choice – abandon

neo-liberal capitalism and create an economy that truly serves all the people; or face barbarism. It seems very unlikely that the Democratic or Republican parties, with their incestuous relationship with big business, will choose the first option. This means that the time is fast approaching when the American people will have to shelve their wishful thinking that Obama, Clinton, McCain or any other person of their ilk will be able to solve America's problems. If an economic system that provides hope, and is based on justice and equality, is to come about in the US it will have to be created by the American people themselves.

Working Class In

- As capitalism expanded worldwide, workers increasingly saw the need to unite across boundaries.
- From the struggles against slavery and women's struggles for the vote in the 19th century, to the anti-colonial struggles after WW1 and WW2, internationalism has been a central feature of struggles over last 150 years
- The struggle for an 8-hour working day, and the winning of May Day as a public holiday in many countries, expressed this growing international solidarity.

The First International

- The First International was founded in 1864 out of the revival of working class movement after the series of defeats of 1848.
- It was federation of working class organizations almost exclusively from Western and Central Europe. Marx and Engels were responsible for writing its key documents.
- A series of political disputes wracked the organization, especially between the Marxists and the Anarchists.
- The uprising of the Paris Communards in 1871 was a focal point for the First International. However the crushing defeat of the uprising and the Europe-wide repression that followed also led to the dissolution of the First International in 1876.

The Second International

- Founded at an International Workers' Congress in 1889 it was based largely on the European labour movement with German Social Democracy being the biggest influence.
- The International was a loose federation of parties and trade unions having a joint membership of over 4 million and a parliamentary vote of over 12 million.
- The International broke up around World War I with the leading German party voting for its own government to carry out war, and the revolutionary wing condemning this as a betrayal of internationalism.

The Third International

- World War 1 was a major factor leading to the 1917 Russian revolution. The Revolution provided impetus to the formation of a new International, which was formed in 1919 in Moscow.
- From 1919 to 1923 it held 5 Congresses attended by the leading representatives of communist parties throughout the world.
- The failure of the German revolutions in 1919 and 1923, and the isolation of Soviet Russia provided conditions for the emergence of Stalinism that, in turn, led to the degeneration of the International.
- It became a narrow instrument for serving the interests of the Stalinist bureaucracy, with its new theory of 'Socialism in one country', rather than offering revolutionary internationalist leadership.
- The International was dissolved by Stalin in 1943, but Moscow continued to shape the policies of Communist Parties across the world.
- The Communist Party of South Africa, later the South African Communist Party, was an adherent of these policies, including the two-stage theory of revolution.

The Fourth International

- The crushing of opposition in the Soviet Union and the policies of Stalinism in China, Germany, Spain, among others, led to a series of defeats of the workers' movement. This period saw the rise of a Left Opposition in Russia and increasingly a number of Left Opposition groups internationally.
- The Fourth International was founded in 1938 and rallied around the Transitional Programme drafted by Trotsky.
- However WW2, the assassination of Trotsky in 1940, and the isolation of the Left groups saw led to a series of splits and the severe undermining of the legacy of revolutionary internationalism.



INTERNATIONALISM -

Internationalism

Trade Unions internationalism

- Dock workers were the first to form international trade union networks and this led to the formation of an industrial trade union formation the International Transportworkers' Federation (ITF)
- Before WW1 a series of international trade union conferences were held to seek closer co-operation and an International Secretariat headquarters was formed in Zurich.
- The International Federation of Trade Unions (IFTU) was launched in Amsterdam in 1919 and representing 14 countries with 18 million union members. The organization was committed in words to socialism and was the union counterpart to the Second International.
 - The Red International of Labour Unions (RILU), affiliated to the Communist International, was founded in 1921. Many supporters of the RILU were minority factions of the IFTU. The RILU too fell victim to Stalinist bureaucratisation.
 - After WW2 a new united international trade union federation emerged in 1945 - the World Federation of Trade Unions (WFTU). But because of the Cold War, US unions pushed for a split, which led to the formation of the International Confederation of Free Trade Unions (ICFTU) in 1949.
 - Each federation in their own way was drawn into the webs of their sponsors, US imperialism, in the case of the ICFTU; and the Stalinist states, in the case of the WFTU.
 - Despite this the ICFTU grew and the WFTU remained largely confined to the Soviet Bloc. The collapse of the Stalinist states after 1989 led to a further weakening of the WFTU.
 - In 2006, the ICFTU merged with the World Confederation of Labour an international federation of Christian origin, to form the International Trade Union Confederation (ITUC).
 - In its early years COSATU did not affiliate to either the ICFTU or WFTU, but since it has affiliated to ITUC. For many years however South African trade unions were actively involved in their sectoral internationals called the International Trade Secretariats (ITSs) – now known as Global Union Federations (GUFs).



Internationalism today

- Over the last 30 years of globalisation, the capitalists, and their governments everywhere, have carried out neo-liberal policies and have unleashed a series of attacks on workers and poor people worldwide.
- In response to these attacks, an international movement against capitalist globalisation has emerged.
- This new movement has generated a series of protests - from Seattle in 1999, to the G8 summit in Genoa in 2001
 - The World Social Forums have gathered many of these activists - from the first in Porto Alegre, Brazil, in 2001 to last year's in Kenya (Nairobi), with attendances of over 100 000 participants at the recent WSFs.
 - Many regional forums have also been convened worldwide and we have seen massive demonstrations against the invasion of Iraq.
- The new movement faces a number of challenges. On the one hand, the common hostility to neo-liberal capitalism presents the possibility of a real vehicle for united struggles against the effects of globalisation.
- However, there are tensions between those who insist that the movement should continue having relatively loose structures, to encourage diversity and plurality; and those who see the need for greater political unity and coordination of struggles.
- There is also a divide between those who believe another, more human *capitalist* world is possible and those who seek socialism as an objective.

THEN AND NOW



Women and Public Health

What is public health?

When we think about health we often think about doctors and hospitals and medical care but when we speak about public health we look at more than just medical health, we look at all the things that impact on our wellbeing. This means having access to things like clean water, electricity, waste disposal and sanitation, and food. As well means having time to relax, build relationships and do community work.

When our water is cut off we are not able to invite friends around for a cup of tea or offer them water. All of these things affect our health and well-being.

Public health is a concept that arose when, with the growth of the cities in late 19th century Europe, poor sanitation and no public waste disposal led to widespread disease and death. Governments came up with regulations to try and prevent disease from spreading and, through campaigns, were forced to become responsible for ensuring public health. Governments attempted to do this through public services such as water, sewerage, waste collection and public parks as well as setting up health departments. After World War 2, and the adoption of the welfare state and Keynesian policies in many capitalist countries, the state also began providing public hospitals and clinics.

The WHO

By the early 1970s, struggles around health resulted in the formation of the World Health Organisation (WHO) and the adoption of a definition of public health that was not merely the absence of disease but a sense of positive wellbeing. The definition was revolutionary for its time.

The 1978 WHO meeting in Alma Ata in the then Soviet Union marked a turning point in public health history. All 134 countries attending signed the Alma-Ata Declaration which recognised that health would be achieved through a

shift in power and control over resources and through the implementation of a comprehensive approach to health known as Primary Health Care.

But since Alma Ata, globalisation and the neo-liberal policies of the IMF and the World Bank – viewing health services as consumer goods and privatising public services - have diminished the dream of achieving health for all.

Attacks on public services

Since the 1980s public services policies globally have been reshaped based on the neoliberal world view. Neoliberalism argues that the state is inherently inefficient and that services previously in the public domain should be made private. Where the state still owns services it should run these on a corporate business model.

Neo-liberal governments therefore privatise or form public services and health care systems at odds with the definition of public health.

Under the GEAR policy here in SA there have been cuts in all areas of the state and the introduction of 'user fees' rather than the provision of free services. All of us, including the very poor, are expected to find our own solutions to the water, refuse collection problem and, if we are employed, to join Medical Aid schemes that make enormous profits out of health care.

The neoliberal system also transfers responsibility for services from the national state to provincial or municipal governments, even though the World Bank concedes that there is little evidence that decentralisation in health care works.

As a result the healthcare monopolies in South Africa, like Netcare, are reaping huge profits and restricting peoples' access to treatment and care.

Women and public health

Being in a women's body has serious repercussions for your health.



First that women's bodies are different from men's – women menstruate and are able to be pregnant means we require a set of services to do with reproductive health that men do not need. Further it makes us responsible for the creation of human life and breastfeeding.

Second, under patriarchy women are subordinate to men. Our needs are undervalued and we take on the responsibilities within the home and community that men do not. So if we say access to water affects our health and women are responsible for water then we can see that this affects women more than men.

Under patriarchy women do not have the power to negotiate safe sex or to leave abusive relationship in the context of lack of resources. Women are also physically more vulnerable to HIV infection. These things show that women's health, violence against women and HIV have direct links under patriarchy.

But women's bodies are also about our capacity for joy, for ideas, for sensuality and for providing leadership for struggles. Better public health helps women in their struggle for all of these things and for our freedom. But under neoliberalism the state has reduced its responsibility for providing water, sanitation and sewerage and health care. Women are forced to take on these responsibilities and so women and their bodies are in effect subsidising the state. This means that women must take action and be activists around a range of issues (housing, ARVs, for freedom) as well as take on further burdens when the neo-liberal state does not provide.



My Organisation: The COSATU Young Workers' Project

Despite the high unemployment amongst black youth, large numbers of young people have entered the labour market over the last decade. This has happened mainly in the retail, telecommunications and service sectors. Many working youth also enter precarious and highly exploitative forms of employment such as casuals, contract workers, labour brokers and highly regimented call-centres. Young workers' rights are often disregarded by employers due to their vulnerability and desperation to earn a living.

Trade unions in South Africa on the other-hand, despite their good track record in defending and promoting workers' rights, have not been able or willing to seriously organise and empower young workers by drawing them into trade unions and enabling them to assert their rights.

COSATU in the Western Cape has over 2007 played a leading role in supporting its affiliated trade unions to organise young workers and facilitate their entry into the labour movement. This organising drive has focused around COSATU locals in urban, peri-urban and rural areas of the Western Cape. This support and organising of youth has also included educational programmes and workshops that have focused on the role of trade unions and campaigning against HIV and AIDS.

The young workers program at present includes 20 participants from the following trade union affiliates:

- Democratic Nurses Organisation of SA (DENOSA)
- Police and Prisons Civil Rights Union (POPCRU)
- Southern African Clothing and Textile Workers' Union (SACTWU)
- Chemical, Energy, Paper, Print, Wood and Allied Workers' Union (CEPPWAWU)

- South African Transport and Allied Workers' Union (SATAWU)
- Communication Workers' Union (CWU)
- Food and Allied Workers' Union (FAWU)
- South African Commercial, Catering and Allied Workers' Union (SACCAWU)

The youth leadership and media development project

COSATU together with Workers' World Media Productions has also over three years developed and co-ordinated a youth leadership and media development project that involved student, unemployed and working youth. Together with ILRIG and as part of its evaluation and strategic planning, the partners have recognised the vital need for ensuring the development of leadership and organisational skills amongst the young workers themselves. This recognition is premised upon the understanding that young workers are best equipped to organise their fellow workers and draw the new generation of workers into the labour movement to secure themselves a better working life and future for all.

The project has developed a leadership and organisational development course to train 35 working youth participants over a period of 18 months in order to:

- Equip them with the tools for analyzing South African society and the position of working youth in particular
- Provide participants with an understanding of the key issues facing South African working youth.
- Develop participants' leadership, organizing and media skills.
- Ensure the fullest possible involvement of participants in

their trade unions and community organisations at all levels.

- Encourage the active and organised trade union and community involvement by participants centred around key social, economic and political issues that affect them.

We had several meetings the participating young workers. Of the targeted number, 30 young workers have attended and committed themselves to the process. Over 2007 we have had six workshops with young workers. Currently the program has 3 areas namely politics, media and study circles. We find that the time we allocated for these sessions are not adequate and are therefore looking at time off for workers and have 3 or 4 blocks for 2008.

Young workers are new to the world of work. Most do not know their existing rights under the Labour Relations Act or the Basic Conditions of Employment Act. As such, effort should go into providing proper training that is specific to their particular situation. While it is important to struggle for greater legal protection, only through organization and united action will the efforts to divide and intimidate workers be challenged.

Young workers should be in forefront of such a struggle.

This article was written by Mike Louw, the Regional Organiser for COSATU (Western Cape). For more information contact 021 448 0044.



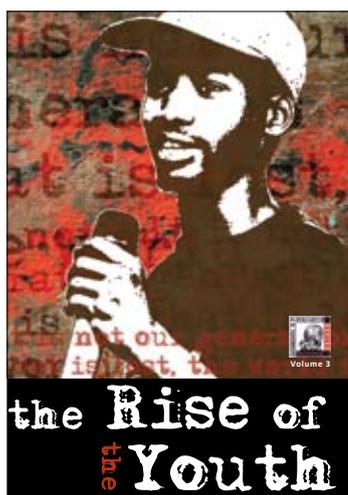
Upcoming ILRIG Public Forums

24 April: Polokwane and the Zuma Victory: What is its significance?

29 May: Israel – 60 years of Colonialism of a Special Type – What future for Palestinians?

26 June: Zimbabwe Post 2008: Where to?

All public forums are held at Community House, 41 Salt River Rd, Salt River from 6-8pm. Transport home is provided.



Alternatives to Globalisation: Vol. 3: The Rise of the Youth.

This booklet looks at the: youth struggles in South Africa today; impact of globalisation on youth; challenges facing different groups within the youth sector and conclude by looking at how youth can get organised. To get a copy contact ILRIG.



ILRIG website – www.ilrigsa.org.za

The site will allow viewers to find out more about ILRIG, its history, staff and board. It provides an interactive space for interested people to engage with ILRIG's work on globalisation – read articles, contribute to discussion and order publications. Members will receive regular updates on issues of interest.

Building Women's Activism

This is a **women-only** monthly space for women activists to come together to discuss struggles against sexism and patriarchy. The next forum is on the 23 April 2008, 16h30 to 18h30 at Community House, Salt River.



WORKERS EDUCATION FOR WORKERS POWER

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Error: We apologise for not acknowledging two photos by Rob Rees used in the Workers World News 43 article on the Public Sector strike.

Workers' World News – now a bimonthly in 2008. Look forward to 6 editions per year!

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