

The Difficult Dilemma facing Democrats in the Global Crisis

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South Africa has much to be proud of after our successful free and fair election in April. Nearly 70 % of the electorate voted , some waiting in queues for as much eight hours. It was a multiparty election , almost free of violence and intimidation. Indeed it was a remarkable moment in the consolidation of South Africa's new democracy .

But it does present a puzzle. We live in a country where a third of the working population is unemployed, where a growing number are on short time or are being retrenched , in the face of the worst economic crisis since the thirties. Yet instead of focusing on these pressing socio-economic challenges, we were exposed to a song and dance routine – the Helen Zille shuffle and the Jacob Zuma jive with its ominous 'Give me a machine gun' theme. . Electioneering took place around one personality , the leader of the ANC, Jacob Zuma. Indeed, the official opposition devoted the last three days of its campaign to a single issue: STOP ZUMA.

By focusing on personalities, rather than the tough socio- economic issues facing the country , the election ignored the dilemma that democrats face in seeking power within developing countries today. It is widely believed that market freedom and political freedom are mutually supportive. Free and rational debate, however, will not always persuade citizens that austere macroeconomic policies are best. In practice, voters in Latin America and Africa have frequently opted for populist leaders and parties who promise relief from material misery through redistribution and regulations that contradict market 'freedom' – in Argentina, Peru and Zimbabwe, for instance. Governments elected on such platforms must then decide whether to honor their campaign promises or adhere to the orthodox market policies pressed by their external creditors and international financial institutions. They have usually opted for the latter, which has created a so-called 'democratic deficit' and a delegitimisation of democratic processes

This is the difficult dilemma facing those who wish to foster both economic and political freedom in developing countries . What was missing from the election was a recognition of the severe limits placed on democracy by concentrated economic power within an increasingly integrated global market economy. Indeed this is increasingly recognised as the real challenge facing developing countries:

'The real debate associated with globalisation is, ultimately , not about the efficiency of markets', writes Amartya Sen, 'nor about the importance of technology. The debate , rather , is about the inequality of power , for which there is much less tolerance now than in the world that emerged at the end of the Second World War" (Sen, Freedom's market, 25th June 2000. Guardian)

Is it time then to uncouple economic development from democracy as many tough-minded free-marketeers believe?. Or , as others believe, is it not time to look more seriously at how authoritarian Chinas' communist model deals with development ? . I think not. Last December a riot broke out in the Pearl Delta of southern China, the worlds workshop producing 5% of the worlds manufactured goods. The riot started in the wake of a simple pay dispute at a small Chinese factory that manufactured cheap suitcases. Orders had been dropping , and the factory closed down without warning leaving wages unpaid. The workers started to smash up the factory , and looked for managers to attack. The police arrived on the scene , and attempted to restrain the workers by locking them up inside the factory compound while the managers offered them a deal – part of their back wages would be paid if they left town . The workers refused and fought with the police shouting `There are no human rights here". Indeed there is an average of 50 000 protests a year in China !

This protest may not seem surprising to those of you who know that China is an authoritarian state but it is a signal of wider unrest in China. China's export led economic model rests on migrant labour with a system of household registration that is very similar to the pass laws under apartheid in South Africa. The current recession could prove the first real threat to the regime since the 1989 Tiananmen protests . These protests challenge the wisdom of Beijing's economic model which rests on an implicit bargain between working people in China and the Chinese Communist party , whereby the regime delivers high growth rates , and in return society tolerates authoritarian rule.

Interestingly George Soros, who provides substantial support for democracy movements in authoritarian countries through his Open Society , believes that the Chinese `state capitalist' model is better able to respond to the current global economic crisis . China , he suggested at recent workshop on **Supporting Democracy** at the New York Office of the Century Foundation , does not need to move towards a liberal style democracy . They know the United States style of neo-liberal capitalism has failed. The `master' has failed, he argues, so why should the Chinese not find their own way to democracy.!

China has developed the world's largest foreign exchange reserves - \$2 trillion , at least \$650 billion of which is in United States treasury bonds. In theory, China could pull the plug on the US economy. This is unlikely, Soros argues, as China will want to preserve its surplus and its export market to the US. After all, US consumerism is being kept afloat through increasing credit , credit derived from communist China! Could 2009 be the year that communist China saves US capitalism !!!

What then are the implications of the current global crisis for democracy? Unless Western-style democracy can deliver sustainable development that provides working people with better lives, then free elections will , like the free market, come increasingly under fire. The period between the relaxation of authoritarian rule and the consolidation of democracy is generally marked by what Ian Bremmer calls `distortions'. These include strikes , revolts, and acts of violence ,as well as growing inequality. (Bremmer, I 2006. *The J Curve: A New Way to Understand Why Nations Rise and Fall*).This can lead , as it is in countries such as Hungary, to democracy being challenged through xenophobia,

anti-semitism and the killing of gypsies .We are, as we argue in our recent book, in the age of insecurity, a time not unlike the thirties when authoritarian politicians were able to persuade the voting population to embrace fascism. (Webster, Lambert and Bezuidenhout, 2008 .Grounding Globalisation: Labour in the Age of Insecurity , Blackwells)

What emerges very clearly from a study of democracy is that without an organised working class there could be no democracy. Labour in Africa, as was the case in Europe and North America, has been at the forefront of the struggle to maintain democratic institutions and democratic rule. Vibrant militant independent trade unions, I would argue, are the only bulwark against authoritarianism

The real significance of trade unions for democratic life in Africa is that they are virtually the only group representing the popular classes that has continuing organisational influence at the national level and poses challenging questions about rights of mass access to public resources.

COSATU was at the centre of Zuma's campaign for the presidency. The challenge facing the new government is to deliver on its promises for decent work and improved social services to working people. Unless these expectations are met , it will not only undermine the new government. The very legitimacy of the democratic process will be questioned. This is the difficult dilemma facing democrats seeking power in developing countries