

MONOPOLY CAPITAL

South Africa is, of course, a capitalist country. But capitalism goes through several different stages of historical development. At present our economy is in the stage of advanced, monopoly capitalism. This means that our economy is dominated by a few, giant capitalist companies. In fact, four monopoly companies control more than 80% of the shares in all South African firms !

The big four monopoly capitalist companies in South Africa are Anglo American, SA Mutual, Sanlam and Rembrandt. Besides these big four, but linked to them, are other big monopolies, including the big banks, supermarket chains, newspapers, and agricultural companies.

It is not just the overall, total picture that shows such a high degree of monopolisation. In just about every separate branch of indust-

ry, you will find two or three companies producing more than two thirds of the goods in that branch of industry. In turn, these monopolies within different branches are linked in a thousand ways to the big four.

How can it be that so few companies dominate the South African economy ? Are we not told always that capitalism is all about 'free enterprise', with thousands of different firms 'competing' against each other ? Yes, that is the story, but if we look closer we will see that reality is quite different.

Although there might seem to be thousands of separate companies, the actual ownership and control of the majority of these companies is dominated by the very biggest monopolies. This, then, is the reason why we say that South Africa's economy is in the stage of advanced monopoly capitalism. But what are the effects of monopoly capital on our country's economy ?

HIGH PRICES

In a situation where one parent, monopoly company might own hundreds of factories, all sorts of price manipulations become possible. Let us take a fairly small example.

In Cape Town there is a well-known bus company which owns the only registered bus transport firm in the city. The same company also owns an insurance company, a company that prints bus tickets, and the garage that supplies petrol for the buses. The parent company lets the ticket company, the insurance company and the garage charge much higher than normal prices when selling

to the bus company. In this way these companies make huge profits.

But, you will ask, if all the companies are owned by the same parent company, isn't this just a case of one hand taking from the other hand ? But wait ...

While the insurance company, the ticket printing company and the garage are making big profits, the bus company goes to the government and says it is poor. It can even open its books to show it is hardly making a profit. It says it needs a government subsidy and that it needs also to put up fares to be able to continue operating its 'service to the community'. And so, while the commuters are paying higher fares, and we all pay higher taxes for the subsidy, the owner of the bus company, who is also the owner of the insurance company, the ticket printing company and the petrol garage, is laughing all the way to the bank. That is 'free enterprise' for you.

Even where there is not a single controlling company, as in this example, monopoly capital is able to push up prices. Because there are so few big firms in just about every branch of our economy, it is easy for them to get together and decide how high to fix prices. Thus, last year, the economy hardly grew at all, the times were very difficult for working people. Yet all the big companies pushed up their profits, some by as much as 19% ! They did this by making the people pay high prices. In fact, inflation was more than 20% last year, and many South African went hungry.

EXPLOITATION OF WORKERS

Monopoly capitalism also enables the bosses to exploit workers more completely. Monopoly capitalists increase their power over workers by owning factories in many different sectors of the economy.

The Anglo American Corporation, for instance, controls more than half the economy. It has gold and coal mines, metal factories, chemicals, banks, property, big stores and farms. Amongst the stores in which Anglo American has a powerful presence, is OK Bazaars. If there is a strike in OK Bazaars, as there has been, Anglo American can hold out against the workers for months by getting its profits from all the other companies it controls.

UNEMPLOYMENT

The South African monopoly capitalists work very closely with foreign investors. They use a lot of advanced, imported machinery. The monopolies' only interest is in profit. They do not care if the machinery, like computers, that they import puts many thousands of workers out of their jobs.

In fact, monopoly capitalists, with their love for sophisticated technology, are one of the main causes of unemployment today.

THE WEALTH SHALL BE SHARED

We have looked at some of the harmful effects that monopoly capital has. But not everything is going the way of the monopoly capitalists. In fact, in the last few years

they have become more worried about their future than ever before. More and more oppressed and democratic South Africans are questioning the so-called free enterprise system in South Africa. Workers and youth are talking about socialism. Even small traders are realising that they cannot make a living in the face of the powerful monopoly capital sector.

In the face of this unpopularity, monopoly capital is trying to protect its long-term future. Some big firms are worried that apartheid has radicalised blacks. They hope to co-opt some blacks into the ruling class, with elitist education schemes and offering them cosy company directorships.

But the biggest problem for monopoly capitalism is the very labour army it has assembled. Tens of thousands of workers are employed by a few big companies. They are paid low wages and suffer bad working conditions in their factories. They are no longer fooled by the sweet talk of the bosses. More and more organised workers are realising their own collective power in the giant factories.

In the recent OK Bazaars strike, shop stewards from all the other companies owned by Anglo American met together. The workers warned that if Anglo did not settle the OK dispute, they would all take action. This was an important factor in forcing the bosses to settle in the end.

It is important for all democrats and patriots in South Africa to realise that the struggle against monopoly capital is not separate from the national democratic struggle. There can be no meaningful national liberation

while our economy is monopolised by a handful of white capitalists working closely with imperialism. Equally, there can be no political democracy while the economy is in the hands of this tiny minority. What does it help to have majority rule if 80% of company shares are controlled by monopolists, black or white, with the power to push up prices, exploit workers and put millions out of jobs ?

It is for this reason that the Freedom Charter's first and major demand : 'The people shall govern !', cannot be separated from its key economic demand : 'The people shall share in the country's wealth !' This clause of the Freedom Charter goes on to add : 'The mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole.'

QUESTIONS FOR DISCUSSION

1. In recent times some major monopoly capitalists have criticised the apartheid government. How would you explain this ?
2. Is the answer to the problems caused by monopoly capitalism a return to a more competitive form of capitalism ? Or does the answer lie in popular control by the working people of SA over the major banks, mines and other monopolies ?

