An historic victory over South African neoliberalism was won on October 23, after the most intense three-week burst of activist mobilization here since liberation from apartheid in 1994. University students have been furious, as their cry "Fees must fall!" rang out on campuses and sites of political power across this society. But though there will be an effective 6% cut in tuition for 2016, the next stage of struggle looms, with demands for free tertiary education and university labor rights atop the agenda.

The #FeesMustFall movement's first victory comes at a time that the African National Congress (ANC) ruling party confronts unprecedented economic pressure and social unrest. GDP growth will be only 1.5% this year and probably the same next year, lower than population growth. This is the most unequal of any major country, and the official poverty rate (at $2/day) has recently risen to 53%.

The World Economic Forum last month judged the South African working class as the most militant on earth - the position amongst 140 countries held since 2012, when 34 mineworkers were massacred at Marikana - and the police reported recently that last year, nearly 2300 protests turned "violent" (in police terminology). The deregulated corporate elite enjoys the world's third highest profits, yet remains intent on looting the economy at a rate as fast as any. All these measures have amplified since the ANC took power in 1994.

The desperation flash point this month was the announcement of double-digit increases in university tuition fees. Students demonstrated not only against local managers at more than a dozen campuses. Their organizations united across the ideological spectrum, from socialist to nationalist to even the center-right student wing of the main opposition party, and hit national targets.

They began by storming the parliamentary precinct in Cape Town on October 21, then marched to the Johannesburg and Durban headquarters of the ANC on October 22 and 23, and finally demonstrated - more than ten thousand strong - at President Jacob Zuma's office in Pretoria on October 23.

There, restraining fences were torn down by some of the activists and tyres and latrines were burned, with police once again responding by using stun grenades, rubber bullets and water cannons. Refusing to come out to address the crowd, instead Zuma held a press conference where he conceded to the students' main demand: no fee increase for next year (in spite of general price inflation expected to be 6%).

The trajectory through race to class

The current insurgency began late last month with sporadic acts of fury. At the University of KwaZulu-Natal in Durban, small groups of students burnt an administration building and nearby cars, and students were then caught bringing human excrement on campus presumably for throwing, a tactic used successfully six months earlier to catalyse the dismantling of a hated statue at the University of Cape Town (UCT).

That was the #RhodesMustFall movement. Within a few weeks of a "poo protest" in which excrement was hurled at the prominent likeness of 19th century colonial mining lord Cecil Rhodes, thousands cheered when the statue was removed from the scenic campus. But their other demands for university transformation and "decolonization" - racial equity, a different campus culture, curriculum reform to promote Africanization, labor rights for low-paid workers, more indigenous African professors (there are only five out of more than 250 senior faculty at Cape Town) - were
After a breather, at UCT and Johannesburg's University of the Witwatersrand ("Wits"), the country's two traditional sites of ruling class reproduction, student protests revived this month. Of the 19 tertiary institutions that erupted in protest this month, these two were the best organised, most sustained and non-violent, mainly using the tactic of entrance blockades, then moving to the nearby arterial roads. Disciplined student leaders emphasized non-violent civil disobedience, with white students often taking place on the front line of struggle as buffers, given their skin privilege. Worsening police brutality and occasional clashes with higher-income drivers who tried driving through the blockades did not deter the activists.

On October 21, inside Cape Town's Parliament House, the opposition Economic Freedom Fighters' (EFF) support for their cause came before Finance Minister Nhlanhla Nene delivered his medium-term budget speech, which EFF leaders ardently tried to postpone, before being forcefully evicted. Outside, thousands of courageous students broke through a fence and nearly made their way into the main hall where Nene was holding forth.

But although there is still plenty of scope for fiscal expansiveness, Nene's budget was heartless: no new money for universities (just condemnation of "unconstructive" student protests), and a tokenistic $0.75/month rise in grant payments to the poorest pensioners and disabled people (who currently receive $105/month). Nene dishonestly claimed that this plus a prior tiny raise offered in February are "in line with long-term inflation." Since the inflation rate for poor people is much higher than the norm due to the far higher share of faster-inflating food, housing and electricity costs in their budgets, in reality he imposed a 2% real cut.

Nene did find funds for a three-year $63 billion infrastructure program whose major projects promote, first, exceptionally destructive coal exports mainly by multinational corporations; second, the Durban port-petrochemical complex's expansion; and third, iron-ore exports. Yet there is vast world over-capacity in coal, shipping and steel, with South Africa's second major steel producer barely avoiding bankruptcy last month. But these White Elephant mega-projects continue to get the lion's share of state, parastatal and private infrastructure funding.

The influence of big business on Nene's budget team is blatant: for example, the world's largest mining house, BHP Billiton, still gets electricity at 1/10th the price of ordinary consumers. Corporate tax evasion and illicit financial flows are now notorious. Nene made a downpayment on nuclear reactors worth $100 billion, as well as the first funding tranche for another pro-corporate investment, the BRICS New Development Bank, whose target capitalisation (spread among five countries) is $100 billion.

Credit rating agencies and a "communist" minister

Whether seen through the eyes of students, workers, the poor, women and environmentalists, Nene's budget begs for intensified social struggle. October 21 was, however, the first time that a major spontaneous protest targeted the finance minister at such a sensitive moment. For Nene, the only objective appeared to be appeasing the banks' credit ratings agencies.

As Reuters reported, Nene "downplayed the effect of university students storming parliament as he delivered his medium term budget on the credit rating of Africa's most advanced economy. âEurosUWhat matters for the ratings agencies is our response as government in addressing these challenges,' he said about the students' demands to keep tuition fees unchanged."

Government's response was a combination of widely-condemned police brutality and ineffectual seduction by the ruling alliance's left flank, especially the SA Communist Party whose leader Blade Nzimande is also Minister of
Higher Education. He was shouted down by protesters outside parliament when he tried to explain why their demand was unrealistic and they would face a 6% increase.

Nzimande's 2013 Ministerial Committee for the Review of the Funding of Universities found "the amount of government funding is not sufficient to meet the needs of the public university system... Government should increase the funding for higher education, to be more in line with international levels of expenditure." But Nzimande had refused to release a 2012 commissioned study on how to finance free tertiary education.

A boost to anti-austerity activism

Students simply refused to accept Nzimande's 6% tuition rise. So the march on Pretoria two days later - and threat of a full storming of Zuma's office - must have been the decisive factor in the state's reversal. Although the cost of a deferring a tuition increase is estimated at between $150 and $300 million, by making this concession Zuma has given encouragement to many more protests and Pretoria marches in future.

For those in the society watching and rooting for the students, this was a critical moment, perhaps ultimately as important as the breakthrough Treatment Action Campaign fight for free AIDS medicines fifteen years ago. For as Nene signalled, a more damaging period of austerity looms. Thanks to Nene's tight-fistedness, there will be a relatively small budget deficit (3.3% of GDP), but financial commentators are full of threats about South Africa following Brazil's recent downgrading to a junk-bond rating by Fitch, Standard&Poors and Moodys, the creditors' cruel rating agencies.

The class war rages on. Other student demands remain outstanding: free tertiary education for poor and working people as the overall goal, and an end to labor casualization and outsourcing for low-paid university workers. Many such workers barely receive $100/month, and with a poverty line of $60/person/month, raising a family on starvation wages is impossible.

The task of retaining this visionary student-worker alliance in coming weeks and maintaining a national presence will be as difficult as is the multi-class â€œUnited Front' organizing now underway. Difficult yes, but now, nothing seems impossible in this exceptional site of class struggle.