

Not the State of the Nation Address

Zwelinzima Vavi, on what the SONA *ought* to be saying

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Madame Speaker of the National Assembly, Madame Chairperson of the National Council of Provinces, Honourable Members and People of South Africa:

In previous years in my State of the Nation Address I said that I had a good story to tell, but today I must be brutally honest - the state of our nation is not at all good. In fact it is disastrous.

South Africa is facing its worst-ever crisis of distrust under my leadership. Its like we are in the deepest ocean on the darkest night and we, the captains, are blindfolded and carrying no compass to tell us whether the ship is moving south, north, west or east or just floating dangerously towards an iceberg.

I have read the recent report from the World Bank, which says, "South Africa's economy is at risk of falling into recession". The Bank has cut the country's growth forecast for this year to a pathetic 0.8%, which sadly is in line with the International Monetary Fund's estimate of 0.7%. "The economy" says the World Bank, "is flirting with stagnation if not recession". This year's growth estimate was cut from 1.4%, while next year's projection was lowered to 1.1% from 1.6%. The rand has plunged 14% against the dollar in the past three months as sentiment worsened and credit-rating companies downgraded the nation's debt because of growth risks.

These grim statistics are bad enough but the main reason why I have such a bad story to tell is what all these figures mean for the poor, the black majority of South Africans.

In particular I want to apologise to the nation for my government's failure to implement the resolutions of the 2007 ANC National Conference, which raised such hopes amongst the people.

The many resolutions included:

1. A developmental state to ensure that our national resource endowments, including land, water, minerals and marine resources are exploited to effectively maximise the growth, development and employment potential embedded in such national assets, and not purely for profit maximisation.

2. Making the creation of decent work opportunities the primary focus of economic policies.
3. Transforming the structures of production and ownership, including... an active beneficiation strategy, building sustainable export industries, and expanding production for domestic and regional consumption.
4. Broad-based BEE aimed at broadening and deracialising the ownership and control of productive assets by black people, women and youth.
5. An anti-monopoly and anti-concentration policy aimed at creating competitive markets, broadening ownership and participation by our people, addressing monopoly pricing and other forms of rent-seeking and anti-competitive behaviour.
6. A comprehensive and clear rural development strategy, which builds the potential for rural sustainable livelihoods, particularly for African women, as part of an overarching vision of rural development.
7. Directly absorbing the unemployed through labour intensive production methods and procurement policies and a significant expansion of the public works programmes linked to the expansion of economic infrastructure.
8. Ensuring universal and subsidised access to basic services, health care, affordable transport and access to government information, free and compulsory education and on going campaigns for adult literacy.
9. Maintaining and where appropriate expanding the provision of social grants and finding ways and means of alleviating the burden of low-income earners.
10. A comprehensive social security net to provide a targeted and impeccable approach in eradicating poverty and unemployment and a mandatory system of retirement funds and a broad-based retirement fund that covers low-income groups.
11. Reaffirming the implementation of the National Health Insurance System by further strengthening the public healthcare system.
12. Discarding the market-driven land reform and immediately review the principle of willing-seller, willing-buyer so as to accelerate equitable distribution of land.

13. Macro-economic policies that support and sustain growth, job creation and poverty eradication on a sustainable basis. We must reaffirm the Freedom Charter as a premise when discussing social transformation.

These are just some of the main promises, but there is no way I can honestly say that they have been fulfilled, particularly the commitment to base policies on the economic demands of the Freedom Charter.

The much-spoken-about second phase of radical economic transformation that heralded so much hope that we will return to the 1969 Morogoro ANC conference resolutions, the economic demands of the Freedom Charter and the 2007 resolutions, has largely come to nothing. I am acutely aware that had I led the ANC to rigorously implement these resolutions, there would have been no EFF or a talk of a new trade union federation today.

The ANC itself would not be as divided and weakened as it is today.

My comrades have opportunistically jumped into the race bandwagon and so liberally played the race card, which threatens to undermine the work done by forebears such as Nelson Mandela. At the same time we have ignored the root causes of racism. My ANC way back in 1969 stated: "In our country more than any other part of the oppressed world – it is inconceivable for liberation to have meaning without the a return of wealth of the land to the people as a whole. It is therefore the fundamental feature of our strategy that victory must embrace more than formal political democracy.

"To allow existing economic forces to retain their interests intact is to feed the root of racial supremacy and does not represent even the shadow of liberation in our land. This cannot be effectively tackled unless the basic wealth and

basic resources are at the disposal of the people as a whole and are not manipulated by sections or individuals be they White or Black.”

Now almost 22 years after our liberation, our people, in particular the black working class, can without any fear of a contradiction, state that the first two decades of freedom have benefitted more, in economic terms, white monopoly capital than the motive forces of the liberation struggle.

Divisions have arisen as others feel the National Democratic Revolution is off the rails; hence the arrogance of the white extremists calling our people monkeys.

More than any other failure, this is the biggest sin we have committed against the revolution. In fact this is an outright betrayal of the aspirations of the people.

Our country has been deindustrialising since 1994. The last time I checked the manufacturing sector, which used to contribute 23% to our GDP is now down to around 12%. The ongoing mining and steel commodity crisis will simply worsen this situation. There is a complete job loss blood bath in both sectors.

Workers' confidence in the future is at all time low. The share of wages in the national income has plummeted from 57% in 1991 to below 50% today. This means wages have been suppressed whilst profits have been rising.

Even the capitalist class increasingly realise that its own future, to get returns from their investments, can't be guaranteed. The capitalists are reported to be sitting on R1.5 trillion of investable cash but won't invest it, mainly because of lack of confidence to our collective future. Poverty, unemployment and inequality are all getting

worse. Three University of Cape Town economists have said that a study they recently undertook suggests that Statistics South Africa's poverty line underestimates poverty: "The Stats SA line indicates that approximately 53% of South Africans are poor, but ours suggests that this is closer to 63%."

I am sickened at the Oxfam report that 13-million South Africans go to bed hungry every night. That is just about twice the size of the population of the Eastern Cape, and more than 25% of the total South African population. How can that be explained in a wealthy country like ours? How have we let our agriculture sector be so under supported? How could provinces like the Eastern Cape, Northwest go hungry when they have so much potential?

We have failed to keep our promise when unemployment, by the true definition which includes those who have given up looking for jobs because there are none, is around 34%.

We have failed to keep our promises to our young people with more than 20 million South Africans between 15 and 34 years of age struggling for opportunity and less than 33% working.

Fellow South Africans, under my leadership, the youth of this country will have no future, with the two-tier education system which not only marginalises the students but puts most black students in a vicious cycle that means generations to come will not escape poverty and unemployment.

The two-tier health care system also means the same. I know I have not been visiting any public hospitals and I will not dare submit myself or my family to that kind of humiliation. Yet our main supporters suffer that indignation daily.

Jobs of thousands of other workers are now at risk, as entire industries face possible collapse – mining, steel, the Post Office, SAA, etc.

Owing to my own rural and poverty background, I am deeply hurt that inequality has under our watch risen since 1994; the World Bank reveals that the Gini coefficient is 0.77, on a scale of 1 (where one person has all the income) to zero

(where income is equally shared) making us the world's most unequal society.

The state welfare grants that go to 17 million people used to be one of my good stories, but they are shrinking in value after the Honourable Nhlanhla Nene lowered them in real terms by more than 3% in last year's budget. The child grant of R340 is worth US\$0.67 a day, about a third of what even the World Bank considers poverty.

We have shamelessly not only maintained a two-tier system in service delivery, but have actually entrenched it, as the gap widens between the top-class provision of private education and healthcare for the rich, largely white minority and the pathetic service to the poor, overwhelmingly black majority, but we have also commodified the best infrastructure in Gauteng through e-tolls. This means the rich can have access to the best roads whilst our poor voters are systematically being pushed to the overcrowded second-class roads. This is an economic apartheid that would shock our struggle heroes like Chris Hani.

We have failed to introduce the comprehensive social security and national health insurance systems. I have let them sit on the back burner.

We have failed to keep most of the promises to the poor; hence more and more angry communities across the country are taking to the streets, often violently, in protests over housing, water, roads and corruption.

Most seriously we have failed to keep our promises to our hard working labour force. As a result, labour relations are at their worst since the end of apartheid. Employers are waging war on workers' hard-won rights, through the use of labour brokers, outsourcing work, getting round collective bargaining and even refusing to recognise trade unions.

Even where laws are in place to protect workers, my ineffective Department of Labour has not ensured that there is a campaign to enforce and protect workers. Deregulation by stealth has allowed the employers to take advantage of undocumented labour and have sidelined local labour in sectors such as hospitality, security and transport. This is what has in some cases created tensions seen as xenophobia by many.

This means more workers are employed in precarious forms of employment, moving us further and further away from the concept of decent work which was so enthusiastically welcomed by workers in 2007. And I have failed to even try to put a stop to this.

State-owned enterprises are in a mess. Eskom, SAPO, SAA, PetroSA and others are staggering from one crisis to another, worsened by constant allegations of corruption and nepotism within their top management. Far from being an advertisement for publicly owned enterprises, their adoption of capitalist methods has reduced many of them to virtual bankruptcy.

Similar chaos and incompetence is to be found in public institutions - the SAPS, the National Prosecution Agency, the SA Revenue Service. I am aware and deeply troubled by the perception that has deepened over time that the reason why these important institutions are in trouble is because I have sought to appoint to them people that will guarantee that I never have to face the 783 charges that were dropped against me in 2009. I am also aware that I have been accused of deploying people with links to my family.

Chapter Nine institutions have been undermined, for which I share responsibility as a result of my disrespect for the office of the Public Protector. Judges have been severely attacked by leaders of my party and I have kept silent, notwithstanding the oath I took to defend what is in the best interest of the republic.

Corruption is running out of control in both the public and private sectors, despite strong resolutions at successive ANC Conferences. It has become very difficult to do business with my government without greasing the hands of corrupt officials. The creation of the Integrity Commission was supposed to discipline ANC members against whom serious allegations have been made, yet not one of the many of those accused have been brought to book. Hyenas continue to loot resources intended to provide services to the poor to line their own pockets.

The business sector is just as guilty. Collusion and price-fixing by big

monopolies keep coming before the Competition Commission. When the US Securities and Exchange Commission charged Hitachi, Ltd. with violating the Foreign Corrupt Practices Act by bribing my own ANC, Hitachi agreed to pay \$19 million to settle the Security and Exchange Commission charges, which is an admission of guilt. I have done very little to confront this private sector corruption.

In 2013 alone \$29 billion was illegally taken out of South Africa in illicit financial flows (\$21 billion/year on average from 2004-13). The SARB and Treasury should have immediately investigated large multinational corporations and prosecuted those like MTN and Lonmin (where my Deputy Cyril Ramaphosa was a top corporate official) and [De Beers](#), where research shows they have been looting South Africa.

I looked the other way because of the benefits to me personally though I was keenly aware how angry many South Africans are about my family links with the Gupta family. I don't blame them for holding the view that because of these links this family has grown more and more arrogant.

In all my life I have never heard of any business people landing a plane in a army air force base, landing helicopters in the zoo, demanding that they be allowed to build a helipad on the roof of their house in a residential area, ordering ministers around and telling my comrades that they will be appointed into my Cabinet even before I do so.

I blame myself and my Executive including the ANC leadership who have sprung to my defence when every South African of independent mind was so disgusted at all of this, worst of all that I appointed the person who allegedly approved the use of Waterkloof facility to be an Ambassador in the Netherlands.

Another example is that I have appointed a senior policeman found guilty by SAPS for fraud in relation to the falsification of his CV to an ambassadorial position in Mali. This has completely eroded confidence in my leadership.

The capitalists' political representatives conned my government into adopting a National Development Plan, which enshrined all their chosen laissez-faire free-market policies – less government 'interference', more 'flexible' labour laws, etc. That remains the root cause of all the problems I have listed.

In response to all these failures there has been a call that Zuma Must Fall. I disagree. Guilty though I am, one individual alone cannot be blamed for everything. I am therefore submitting the resignation of both myself and my entire cabinet and calling fresh elections. I also will step

down as the President of the ANC and hereby make a call on all members of National Executive Committee to follow my example.

I agree that in future the citizens must directly elect the President. The Van Zyl Slabert report on the need to change our electoral system so that it could embrace both the constituency and proportional representation system must be implemented without further delay. The people must decide!

It saddens me that having played such a critical role in the liberation of my country and as celebrated peacemaker in my own land and in other countries of Africa that I step down with my legacy in tatters. This country with its huge potential deserves better.

I apologize one more last time for my failures, my lack of moral leadership, my lack of principles and for the failure to insist that all those in our government serve the people first as opposed to themselves. I acknowledge that some in my Executive and the ANC NEC have worked very hard to take our vision forward but they have been too few and therefore are themselves overwhelmed by all the negativity.

I have lost the trust not only of the key sections of our society such as the working class, the middle strata and the capitalist class but also of international community. Our country is no longer a gateway to Africa and has been overtaken by countries like Nigeria. I will now retire to my newly renovated home at Nkandla and I am willing with the help of my business friends to pay whatever amounts to be determined in a fair and transparent fashion.

Goodbye the people of South Africa!

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