

Zwelinzima Vavi notes to the Club 1926 on “The state of South Africa; Labour Civil Rights, the Social Contract – a personal perspective.”

Master of Ceremonies

Members of Club 1926

Ladies and Gentlemen

Thank you for the invitation to share my own personal perspectives on the state of South Africa today. I am glad that you accepted that I speak strictly in my personal capacity after I have been put on special leave almost three months ago. As you may know I have challenged that decision at the High Court and I am presently waiting for a court date, hopefully in the course of this month.

I am challenging the legality of the decision taken on two grounds: firstly, that I was not offered an opportunity to state why I should not be suspended, in line with the prescription of the law of fairness, and secondly, that the decision was taken not in line with the COSATU constitution.

I am a revolutionary but I am not perfect and no one is. Revolutionaries are defined by the agency they exercise to change material conditions and their will to fight injustice.

Over the past few months, I have drawn important lessons – one of which is a constant struggle against oneself. These lessons have rudely awakened me to the wisdom of Amilcar Cabral, who enjoined us as revolutionaries to “struggle against our own weaknesses”, to wage battles against ourselves as we wage battles against social injustice. It is a very difficult struggle, but nevertheless, a struggle that is necessary if as revolutionaries, we are to be agents of progressive social change.

South Africa is emerging from a week wherein we were registering new voters and those who have changed their addresses. This is a reminder that we are preparing to hold national and provincial democratic elections for the fifth time. These elections will coincide with the 20th anniversary of our freedom and democracy.

Naturally a discussion should take place to answer the question of how far we have travelled over this period, and what do we measure ourselves against. It is obvious that we are not going to measure our progress or lack thereof against the apartheid system. We must measure ourselves against our own ideals. My measurement will always be the ten demands of Freedom Charter.

Using this instrument, I will argue that South Africa of today is incomparable to our ugly apartheid past. We have made many strides that are worth celebrating since 1994. The biggest of them all is that South Africa avoided a civil war and has made tremendous progress in achieving peace and friendship with our neighbours and the world.

The political violence that ravaged and displaced hundreds of thousands is no longer a feature of society. I do acknowledge that there has been a lingering political

violence with a number of persons killed in KwaZulu Natal, Mpumalanga, North West, Eastern Cape and at least one in the Free State, but the scale is nothing compared to the thousands murdered in the intestine violence of the 1980's and 1990's. Our democracy is stable and election results enjoy legitimacy across the board.

At the socio economic level the country has massively improved access to electricity, sanitation services, housing and other social needs. Despite problems with the quality of services, we have to acknowledge that the scale of access to education is a far cry from pre-1994 levels. As we speak, the state is directly responsible for ensuring that over 15 million people are not subject to abject poverty, through the social grant system.

In all of these areas progress has been achieved. Today we can say without any fear of contradiction that the South Africa of today is not comparable to our ugly past and is a better place to live in, notwithstanding its remaining challenges.

We must however balance this progress against areas where we have made little or no progress at all. I have said our progress must not be measured against the apartheid state but the ideals that Nelson Mandela, when facing the possibility of being sent to the gallows, declared he was prepared to die for.

Section 27 of our Bill of Rights states categorically that

“everyone has a right to have access to healthcare services including reproductive healthcare; sufficient food and water; and social security, including if they were unable to support themselves and their dependants, appropriate social assistance. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of each of these rights”.

I want to situate this commitment to an earlier much more radical ambition of our forbearers who had historic things to say about our ideals. In its conference held in 1969, popularly known as the Morogoro conference, the ANC had this to say:

“Our nationalism must not be confused with chauvinism or narrow nationalism of a previous epoch. It must not be confused with the classical drive by an elitist group among the oppressed people to gain ascendancy so that they can replace the oppressor in the exploitation of the mass ... In our country – more than in any other part of the oppressed world – it is inconceivable for liberation to have meaning without a return of the wealth of the land to the people as a whole. It is therefore a fundamental feature of our strategy that victory must embrace more than formal political democracy. To allow the 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”.

When we use this as a measure, we suddenly realise that we have not moved far enough. Few will deny that now almost 20 years after the inauguration of political democracy, capital has benefitted immensely at the expense of the working class at the economic level.

Amilcar Cabral, one of the most respected African revolutionaries, reminded all national liberation movements that we must

“Always bear in mind that the people are not fighting for ideas, for the things in anyone's head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children.”¹

Amilcar Cabral's words make remind me of the undying words of another great African intellectual, Franz Fanon who warned liberation movements that:

“The... unemployed man [and woman] who never find employment do not manage, in spite of public holidays and flags, new and brightly-coloured though they may be, to convince themselves that anything has really changed in their lives. The bourgeoisie who are in power vainly increase the number of processions; the masses have no illusions. They are hungry; and the police officers, though now they are Africans, do not serve to reassure them particularly. The masses begin to sulk; they turn away from this nation in which they have been given no place and begin to lose interest in it.”²

It is these great words from these great African intellectuals that should keep us awake at night. We inherited a growth model whose foundations remains the dispossession of the vast majority of Africans of their due in the country's wealth. Having been dispossessed, the African majority continues to be subjected to humiliating low wages and living conditions.

At the level of structure, the economy is based on exporting our mineral resources to our former colonial masters, and new ones. As a result of this our economy remains dominated by mining/finance and heavy chemicals complex. Almost 70% of our exports are minerals, petrochemicals and basic steel products. This growth path has simply reproduced extreme unemployment, poverty and inequalities.

In recognition of this, government introduced a number of milestone policies including an Industrial Policy Action Plan III and the New Growth Path. Government has since prioritised an infrastructure programme in which it will spend up to a trillion rands by 2015.

However, I am extremely concerned that as we start the electioneering season there is insufficient debate about the real challenges facing South Africa today. I am concerned about the insufficient attention being drawn on the historical injustice in our country, through which the vast majority were disposed. How do we re-unite the African majority in particular with their country's wealth?

I am also particularly concerned about the challenge of putting us on a job creating growth path that will focus on reversing current levels of poverty, inequality and unemployment. For us a job cannot just be a job, our ancestors have been subjected to colonial wage jobs for too long. As a country we need to seriously engage about the creation of decent work while simultaneously transforming the

¹ Amilcar Cabral, *Tell no Lies, Claim No Easy Victories*, 1965.

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property relations of our society. The colonised cannot continue to be labourers of the colonisers, no matter the niceties of our Constitution.

I am concerned that there is hardly any policy engagement. Most of the speeches I read seem to be just about exposing the weaknesses of the ruling party without offering any coherent response to the triple crisis of poverty, unemployment and inequality that our country is faced with.

I know some will argue that the pro business National Development Plan (NDP) is a comprehensive response to these challenges and that there is no need to talk about policy but implementation of the NDP. I do not share this view.

In my view South Africa will not address its triple crisis until it embraces the concept of radical economic transformation, which will be buttressed by real redistribution of wealth, to address the historical injustice we all know. I will also re-state my view that there is no liberation worth celebrating if it does not address the property question, which is at the centre of colonialism and capitalism.

In recognition of the challenge of the triple crisis, many have called for an Economic CODESA whilst others in particular in the run up to the ANC conference last year called for second phase of radical economic transformation.

Regrettably this debate was sidelined and fell victim of intense factional battles and does not appear to be on the agenda today. There has been no attempt to give content to what we mean by a radical economic transformation. Frankly the NDP is no radical programme, but a neoliberal programme that will largely reproduce inequalities and will not address poverty and unemployment.

My frustration with the current *epoch* lies in this area. I see no sense of emergency at all. I have not seen any real attempt to build a national consensus based on a vision that can be embraced by all critical component of society.

For example, if building manufacturing is our priority then why have we not seen the shifting of resources and policy to support this on a mass scale? Why have we not seen government building the capacity of the Department of Trade and Industry to drive this?

Why has the capacity of local government not been built to be more active in supporting industrialisation? Where is the minimum deal between manufacturers and unions that will help drive manufacturing? Why are the unions not being consistently supported with research capacity to develop more ideas on what needs to be done? Where is our Marshall Plan on industrialisation? One of our frustrations with NDP is that IPAP III is not mentioned once in it's over 400 pages.

Taiwan, South Korea and many so-called Asian tigers ensured there were state-led programmes, based on the drive to build national industries. South Africa simply lacks the ingredients that such fast-growing economies had, and that is, first and foremost to decisively deal with the property question as the basis to accumulate surplus for further national expansion. We have to rudely wake up to this fact, that billions of profits are being exported from our country precisely because of ultra-foreign ownership of key sectors of our economy.

Recently (3rd July 2013), a Framework agreement for a Sustainable Mining Industry was entered into by Organised Labour, Organised Business and Government. This agreement is critical in ensuring that we develop a comprehensive response to the real meaning of Marikana. These nice words will soon lose their meaning due to the lack of national control of our resources to implement radical policies without fear or favour.

This week we are witnessing a great struggle between the Public Protector and the Security Cluster. This serves as a reminder of one of the greatest challenges South Africa is facing today – the phenomenon of greed and corruption that is creating great divisions in all of our organisations and institutions.

I have no doubt that the price of the Nkandla upgrade was massively inflated to the benefit of private companies who were contracted for those security upgrades. Government officials have been doing this for years – we all know this from previous reports of the Auditor General.

The question we are asking is whether the political leadership has, instead of stopping this rot, also simply joined the bureaucrats in the looting? We hope the Public Protector report will answer this question.

Government's High Court action was initially taken without taking the public into its confidence. This only helped to deepen suspicions that government was seeking to hide something.

Transparency International's corruption perception index for 2012 ranks South Africa 69th out of 176 countries. We have fallen 31 places since 2001.

This index measures perceived levels of corruption in the public sector, bribery, the abuse of public resources, secrecy in decision-making, anti-corruption laws and conflicts of interest in respect of government officials.

This is not just perception to many but a reality that corruption is out of control. The former head of the Special Investigating Unit (SIU), Willie Hofmeyr, has estimated that the government loses up to R30bn to corruption every year. This is almost 30 000 decent housing units for South Africans!

The SIU told the City Press last December that it currently had almost 1 000 individual investigations under way. Almost 600 of these relate to procurement, and involve contracts worth more than R9 billion.

The unit is investigating 360 conflicts of interest on contracts, valued at R3.5 billion. It suggests that up to 20% of government's procurement budget was being lost to corruption – and therefore lost to delivery.

The Auditor-General (AG), Terence Nombembe's, audit reports for 2011/2012 painted a grim picture of rampant incompetence, maladministration and waste of public money. It gave clean audits to only 5% of municipalities. Not one of the metropolitan councils - and no councils at all in the Eastern Cape, Free State, Gauteng, Northern Cape and North West - had clean audits.

Even more worrying is the AG's finding that at least R11 billion was incurred by municipalities in unauthorized, irregular, or fruitless and wasteful expenditure, nearly double the R6bn in 2009-10.

The consolidated provincial figures in the AG's report also revealed that R1.15 billion worth of contracts had been altered and extended without apparent reasons and contracts worth R658 million were awarded without competitive bids. Councillors, municipal officials and their family members pocketed R814m from illegal municipal deals and were not brought to book.

The AG identified a key reason for these problems as the "lack of consequences for poor performance and transgression". In other words, those responsible are getting away with it. No one is being held to account. There are absolutely no consequences!

The theft of such huge sums of money helps to explain why we see so many angry and often violent service-delivery protests in our poorest communities. Residents believe, rightly or sometimes wrongly, that money budgeted for schools, houses, clinics, running water, sewers and roads is not being used for these purposes but is being siphoned off into the pockets of greedy, corrupt councilors and officials and their co-conspirators in service-delivery firms.

The AG's findings are echoed by those of the Public Service Commission (PSC), which revealed the shocking statistic that the cost of financial misconduct to the state in 2010-11 was R932m, up from R346m in 2009-10 and R100m in 2008-09.

In 2010-11, 838 senior officials were charged with financial misconduct, compared with 689 and 652 in the previous two years. This report leads us to one of the critical problems – senior managers across government having private business interests. In 2010-11, 20% of senior managers in the Department of Co-operative Governance and Traditional Affairs, 19% in the Department of Transport and 17% in the Department of Public Works had interests in private firms.

That is why we should fully support the PSC's now Minister Sisulu's call that public servants should be banned altogether from doing business with the government. They must choose either to serve the public or to go into private business but never the two at the same time. The same rule should however apply to union and civil society leaders and more importantly to political leadership at all levels.

How I wish again on this issue there could be more visible and stronger leadership. South Africa has great potential. Yet we made this statement only for soccer fans who visited that our courts can be efficient, our police can actually do their work, criminals who largely went on leave can cooperate with countries priorities, government officials can do their work, etc. it is this potential that we must rediscover if we were to overcome our challenges.

Having noted the corruption in the public service, we must also turn to the private sector. The case of Dave King and SARS must have awakened us to the scale of wealth concentration in the sea of poverty. One individual is able to pay more than R700 million from his pocket, for having evaded tax. How many more super-rich people are out there stealing from the poor.

We also know that big corporate, including the mines, are engaged in the worst forms of tax evasion through transfer pricing. They inflate costs of their inputs and under-report their revenues, so that they declare small amounts of profits. This is a global problem and South Africa is among the top countries in the continent that

suffers from this illegal capital flight.

For how long have corporate in construction, cement, and food processing stealing from the poor by colluding. The super-profits that are declared in these sectors, in the context where the wages are suppressed to the barest minimum, need to be subjected to serious interrogation and must be exposed by all of us who strive for social justice.

You will notice that, quantitatively, the corruption in the public sector may turn out to be a fraction of the corruption that is taking place in the private sector. I also know that many employers deliberately suppress the wages of black workers and elevate the wages of white workers, so that the principle of equal work for equal pay is violated. There is also widespread violation of minimum wages across sectors, etc.

If you are interested to know why there are so many divisions in the people's camp that fought for the liberation of this country – my view is that the answer may lie in the failure of the people's camp to directly confront the historical injustice that continues to define South African society today, a historical injustice that the National Development Plan does not even confront head on, the fact that a tiny minority of colonial origin continues to wield vast economic power over the vast majority of South Africans.

Thank you once more for inviting me