

Radical Economic Change Now!

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Democratic gains BUT

- Historic improvements to the lives of millions
 - Electrification
 - Increased access to health and education
 - Basic rights of movement and expression
 - Collective bargaining
 - Democratic elections
- Yet persistent economic challenges threaten the gains and present a mammoth challenge

Unemployment, poverty and slow growth

- Unemployment at an appalling 36.1% with 8.7 million people excluded from any economic activity
- 54.3% of the population lives in poverty
- 14 million people go to bed hungry every day
- 1st Quarter growth in 2015 a miserable 1.3%, so no prospect of relief

Deindustrialisation and worsening wages and working conditions

- A decline in manufacturing output from 23% of GDP in 1994 to 11%.
- Increasing casualisation of jobs contributing to a rise in the number of the working poor
- Wages of workers have been kept low with median salary at R3033
- Income inequalities are at world records beating levels.

Racial and gender inequalities

- Painfully slow progress in reversing the inherited racial and gender inequalities
- More than 65% of all new promotions to senior management are still going to white people and 75% of senior management remains white

Denialism one reason for the crisis

- The day the recent shocking job statistics were released, President Zuma was telling Parliament that
 - “Our country is doing very well.
 - The fundamentals are in place.
 - Our institutions are strong and sound.
 - All the arms of the state are functioning effectively: the executive, Parliament and the judiciary.
 - This means are hard-won democracy is safe.”

In the real world we are on a knife edge

- Millions feel excluded, angry and frustrated in a society where only the rich get richer
- The poor are asking if democracy only serves the wealthy, especially white monopoly capital
- 34 protest incidents a day on average between 2012 and 2014 according to SAPS, with 15% of them violent.
- The masses are beginning to 'sulk' as Frantz Fanon described a resignation from the politics - only 50% of the voting population voted in 2014.
- This ticking bomb continues to tick , with our cities surrounded by a ring of fire.

Instead of tackling legacy of colonialism and apartheid

- Freedom Charter and RDP abandoned
- GEAR adopted in 1996, handing power to the Reserve Bank and Treasury as local agents of the World Bank and IMF
- Cleared the way for a predatory capitalist elite
- Capital now engaged in a drive to emasculate the power of workers

2007 Polokwane Conference hopes of a return to the RDP dashed

- Policy zigzags and adoption of the NDP tying our economy further to the interests of monopoly capital
- Our new masters are now credit ratings agencies, elected by nobody but mandated by investors to blackmail elected governments into adopting policies, which maximize the profits of their clients
- Our government has given in, with Treasury producing successive austerity budgets.

Climate of get rich quick

- Tenderpreneurs, corrupt politicians and officials, even a few union leaders cashing in
- Disgraceful response of Minister Nhleko to the issue of repayment for the gross excess of the Nkandla project (R246 million in all)
- Overruns in other government projects e.g.
 - Medupi (R52 billion up to R130)
 - Kusile (R81 billion up to R172)
 - and the Gautrain (from R3.5 billion to R25.4).
- AG has just revealed R12 bn fruitless and wasteful expenditure by 264 municipalities in 2013/14 – slightly improved off a very low base.

All this happening while the organs of peoples power are blunted

- Trade unions are being fragmented and weakened and have been targeted for co-option by powerful predatory interests.
- COSATU and the ANCYL are a pale shadow of themselves in the face of a succeeding agenda to domesticate and hollow them out
- The youth, women's, civic and rural people's movements have already been co-opted or enfeebled
- At the same time attempts to crush constitutional institutions like the Office of the Public Protector

- Our public institutions and many SOEs are in complete disarray
 - Eskom, which cannot keep the lights on
 - SAFA accused of \$10m bribery
 - PetroSA, the SABC and SAA have problems
 - In SARS, SAPS, Intelligence Service, Hawks and IDIP, top officials are accusing each of illegal spying and are being paid off with huge golden handshakes to keep silent.
- Risk of becoming a kleptocracy, a failed & unaccountable state, driven by parasitic capitalists and politicians.
- The cancer of corruption, and the failure to bring more than a handful of those responsible for it is the most extreme expression of this disease

A return to the aims of the Freedom Charter and the NDR expressed in the ANC 1969 Strategy & Tactics document

“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”

We need to deal head on with the legacy of colonialism & apartheid

- As French writer, Jean-Paul Sartre, wrote in 1956 at the beginning of the Algerian war of independence: *“Nothing demonstrates better the increasing rigour of the colonial system: you begin by occupying the country, then you take the land and exploit the former owners at starvation rates. Then, with mechanisation their very right to work. All that is left for the natives to do, in their own land, at a time of great prosperity, is to die of starvation.”*

A radical economic shift as per COSATU 11th Congress is needed

- State intervention :- strategic nationalisation & macro-economic tools to regulate and channel investment, production, consumption & trade
- These interventions will drive industrialisation, sustainable development, decent employment creation and regional development
- A renewed mandate for the National Planning Commission
- Urgent steps to reverse the investment strike and export of SA capital, including capital controls, prescribed investment, & penalising speculation.
- Comprehensive social security.
- A National Minimum Wage set at a decent rate
- Comprehensive land reform & measures to ensure food security.

Thank You