



# 14<sup>th</sup> COSATU NATIONAL CONGRESS

26 — 29 September 2022

## Political Report and Organisational Report

**Book 2**

*“Build working-class unity for economic liberation  
towards socialism”*



**POLITICAL REPORT**  
**14<sup>th</sup> National Congress**

## WHAT ARE THE STRATEGIC AND CONCRETE TASKS OF THE WORKING CLASS IN THE CURRENT CONJUNCTURE OF THE NDR AND THE POLITICAL ECONOMY CRISES?

### COSATU Political Report



### BACKGROUND

COSATU has been undertaking a continuous, thorough and deep introspection and reflection on the developments in the country and globally, particularly the impact they have on the working class and the poor in general.

This fundamental task has been accorded the seriousness of a federation seeking to decisively change the balance of power and society as a whole towards addressing the most fundamental and pressing needs of workers and the people as a whole.

The period since the last National Congress in 2018 has demonstrated the gravity and depth of the capitalist crisis, further compounded by the COVID 19 devastations to produce a scale of crises not seen in a long time in history.

COSATU has been working tirelessly throughout this difficult duration with very profound interventions that demonstrated beyond just theory and intentions, the steadfastness of a principled, grounded and very practical workers federation into the future.

This is in a context where we are in alliance with the SACP, a vanguard party of the working class and the ANC, a ruling party whose decisions and effect reverberate throughout society and definitely reflect on both COSATU and all components of the mass democratic movement, hence the critical importance of the NDR as a commonly shared programme of transformation, at all times.

The assessment made by the Special CEC in 2021 towards the Local Government elections highlighted all the dangers and prospects of a difficult path ahead, but still affirmed the importance of a long term and far sighted perspective beyond immediate turbulences of the path of revolution. That is what the Medium Term Vision (MTV) of COSATU is primarily about.

This political discussion and assessment document is divided into two sections;

1. Section One, is the NDR and the strategic tasks of the working class in the current conjuncture, while;
2. Section Two is about the Political economy in the period under review.
3. Section 3 – Assessment of the SACP 15th National Congress and the ANC National Policy Conference

This should help the federation to undertake a comprehensive review of the whole period under consideration and the important developments towards ensuring a correct and proper posture as the NDR unfolds.

## **SECTION ONE:**

### **THE NATIONAL DEMOCRATIC REVOLUTION AND THE STRATEGIC TASKS OF THE WORKING CLASS IN THE CURRENT CONJUNCTURE**

#### **1. INTRODUCTION**

Within the Alliance and the broader democratic movement it has often been assumed that the National Democratic Revolution (NDR) is a uniquely a South African theory and practice for the national liberation struggle. This is true in terms of the particularity of the historical and material context, but this assumption has been taken advantage of by right-wing opportunism within our movement as it has been able to successfully reduce the NDR to just another form of the struggle for freedom or independence - not dissimilar to what has transpired in other countries in Africa and elsewhere. In other words, the NDR could just be another freedom struggle without an inherent class determination and ideological orientation, as long as the plight of the poor would be addressed and their living conditions lifted at the end of the day.

It is against this background that officially it has been possible for the dominant right-wing opportunism within the African National Congress (ANC) to propound reactionary Neoliberal economic and social policies first imposed in 1996 in the form of GEAR as part of the pursuit of the NDR.<sup>1</sup> Politically, this was immediately followed by a right-wing revision of the NDR at the ANC's 50<sup>th</sup> Conference in 1997 held in Mafikeng. In hindsight, these two events at this early period in the current phase of governance, i.e. the imposition of GEAR and the outcomes of the Mangaung Conference, together constitute a strategic turning point - as they laid down the foundation for a different trajectory that negated the original class and ideological orientation of the NDR. Of course the question of the balance of forces has often been used to justify this rightward shift, in which the weaknesses of the ANC-led democratic movement and the strengths of the domestic and international adversaries of the NDR were exaggerated. Nearly three decades later, the claim that this was a "tactical detour" sounds hollow and in fact it can be argued that Neoliberalism is now in the ANC's DNA.

Hence, even a Neoliberal programme such as the Economic Recovery and Reconstruction Plan (ERRP) still passes for an economic strategy in pursuit of the NDR. Therefore, against this background our starting point in this Political Report is a theoretical reclaim and reassertion of the ideological and class orientation of the NDR as historically espoused by our movement, in the main by the South African Communist Party (SACP) and ANC as the leading political drivers of our struggle. This is not for its own sake but in order to set up a framework to assess the prevailing socio-political and economic developments in the current conjuncture so as to disclose the ideological orientation and class determinations of what is espoused as the NDR by the

ANC, as the leader of the Alliance in the current conjuncture. Then congress would then have to make a determination as to the strategic wayforward for the working class, at least as far as the organised workers under COSATU are concerned.

## 2. THE NATIONAL DEMOCRATIC REVOLUTION

### 2.1 The international background of the NDR

In joining the Communist International (Comintern) in 1921, the Communist Party of South Africa (later SACP) linked the South African struggle to the international Marxist-Leninist debates on the colonial question in the worldwide struggle against capitalism in the imperialist stage. Vladimir Lenin had laid the theoretical foundation that led to the adoption of the Report of the Commission on the National and Colonial Questions by the Second Congress of the Comintern in 1920.<sup>2</sup> But the debate continued and evolved over decades - marked by a theoretical shift from the characterisation of such anticolonial struggles as ‘bourgeois-democratic’ to ‘national-revolutionary’, in which the working class was to be positioned, at least theoretically, as the leading motive force. The South African dimension of this theoretical evolution included the 1928 resolution on the Black Republic thesis by the sixth congress to its abandonment by the seventh congress of the Comintern in 1935.<sup>3</sup> Nonetheless, the theory and practice of the proletarian-led anti-colonial struggles continued to be enriched even beyond the Comintern was dissolved in 1943 by the practical struggles of the oppressed in the colonies.

In the aftermath of the imperialist war of 1939 to 1945, the anti-colonial struggles intensified whilst the imperialist powers were in retreat. The practical experience and success of the communist-led Chinese revolution in 1949, in which the working class, supported by the peasantry, were the primary motive forces as opposed to the earlier bourgeois-democratic character of the national liberation struggle led by the Koumintang, was one of the struggles that helped to clarify the theoretical conceptualisation of the class content of the anti-colonial struggles for Marxism-Leninism internationally.<sup>4</sup> Hence, the concept of the NDR and its radical content increasingly became accepted across the international communist movement from the 1950s. In fact, the NDR was extensively used in the documents of the International Meeting of Communist and Workers’ Parties in the 1960s, which the SACP attended.<sup>5</sup> One of the leading theoreticians of the Communist Party of the Soviet Union (CPSU) on the anti-colonial struggles had this to say with regard to the emergence of the strategic perspective of the NDR:

‘The introduction by Communist Parties...of the category of “national democratic revolution” into their militant political vocabulary, and - what is most important – use of its socioeconomic and political content as an important starting point for elaborating strategy and tactics resulted from the generalisation of the new features of the national liberations revolutions in our day. What are the distinctive features of the national democratic revolutions? These revolutions which lead to the elimination of colonial and semi-colonial oppressions and are also latent with anti-capitalist tendency... They not only weaken the imperialist system...When the leadership comes from political forces representing the interests of the proletariat, these revolutions ... grow directly into socialist revolutions. When leadership comes from nonproletarian democratic forces...these revolutions produce, alongside important anti-imperialist and anti-feudal changes, anti-capitalist transformations, paving the way for the transition to socialist reconstruction...’<sup>6</sup>

Thus, throughout the 1960s the International Meeting of Communist and Workers' Parties was very influential on the revolutionary forces in the global-south in terms of their definition of the class content, strategy and tactics and strategic objectives of their anti-colonial struggles. Actually, the 1960 International Meeting of Communist and Workers' Parties laid the foundation in propounding the NDR as a proletarian-led "united national democratic front of all patriotic forces of the nation" to achieve "revolutionary democracy" as the character of the anti-colonial struggles, whose content must lead into a transitional "non-capitalist path" to create a "national democratic state". Hence, the SACP's 1962 programme, *The South African Road to Freedom*, broadly outlined the characteristics of the national democratic state or the "state of national democracy" as espoused by the 1960 International Meeting of Communist and Workers' Parties by directly quoting from its Declaration - which defined the "national democratic state" as one that:

'consistently upholds its political and economic independence; fights imperialism and its military blocs; against military bases on its territory; fights against new forms of colonialism and the penetration of imperialist capital; rejects dictatorial and despotic methods of government; ensures the people's broad democratic rights and freedoms (freedom of the press, speech, assembly, demonstration, establishment of political parties and social organisations) and the opportunity of working for the enactment of agrarian reform and other domestic and social changes; and for participation of the people in shaping government policy.'

The SACP further added that: "such a state will provide the most favourable conditions for advance, along non-capitalist lines, to socialism". Later, the 1967 International Meeting of Communist and Workers' Parties redefined the nature of this strategic objective of the NDR, i.e. shifting the "national democratic state" or the "state of national democracy" from being a "non-capitalist path" to a clear position that it must be a "socialist-oriented path".

The development and evolution of capitalism was well summed up by Lenin in his popular writing on, *Imperialism, the Highest stage of Capitalism*, when he said, *"It is precisely the parasitism and decay of capitalism, characteristic of its highest historical stage of development, i.e., imperialism. As this pamphlet shows, capitalism has now singled out a handful (less than one-tenth of the inhabitants of the globe; less than one-fifth at a most "generous" and liberal calculation) of exceptionally rich and powerful states which plunder the whole world simply by "clipping coupons"*.

He went on to say, *"Capital exports yield an income of eight to ten thousand million francs per annum, at pre-war prices and according to pre-war bourgeois statistics. Now, of course, they yield much more"*.

Then he made amongst the most remarkable observation, *"Obviously, out of such enormous superprofits (since they are obtained over and above the profits which capitalists squeeze out of the workers of their "own" country) it is possible to bribe the labour leaders and the upper stratum of the labour aristocracy. And that is just what the capitalists of the "advanced" countries are doing"* – Vladimir, Ulyanov Lenin – July 6, 1920 (Popular version to the 1917 original text)

Towards this end, there are five features of imperialism that should help ascertain the definite outlook of imperialism, as further elaborated by Lenin and these are;

1. The concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life;

2. The merging of bank capital with industrial capital, and the creation, on the basis of this “finance capital”, of a financial oligarchy;
3. The export of capital as distinguished from the export of commodities acquires exceptional importance;
4. The formation of international monopolist capitalist associations which share the world among themselves, and
5. The territorial division of the whole world among the biggest capitalist powers is completed.

The 6<sup>th</sup> feature that has been added by contemporary Marxists who study political economy, indicated that its, “The emergence of a huge parasitic rentier strata in the developing world, tied to the imperialist centres of global accumulation”, that is now an added defining feature of the era of heightened imperialism.

This principled definition and outline of the essence of imperialism, help us explain the behaviour, characteristics and orientation of not only the capitalism, but states and monopoly companies and trusts, particularly finance capital. It was as relevant then as it is today.

The structure and functioning of global capitalism in this age of imperialism is not happening in an empty space or vacuum, but in a context and with definite measures. Our experiences as a working class and the rest of society, particularly in the developing world is not without theory that explains what is happening and why.

It is precisely these analyses that help us understand global power relations in general and the obtaining global power structure in particular. The political economy of war, of health and of any other variable, can be explained in relation to these underlying and basic fundamentals.

That is why we use them to determine if the traditional western imperialist states led by the US and the newly emerging powers of the world, including whether China, Brazil, Turkey, Russia or India qualify or not, to be determined as such.

Such conclusions in more detailed and conclusive terms remain a subject of our work towards the 14<sup>th</sup> National Congress in September. But, there are important observations we seek to point out regarding Lenin’s definition and the present situation. These are;

- The analysis have been confirmed by both historical and present conditions as scientific and truthful in helping us understand the system and its behaviour
- There have been several changes to the global structure, both in terms of substance and character, in the evolution of capital and society since Lenin’s analysis were made. These may have tinkered with and or even changed some parts of the original set of circumstances and indicators that model the system. In this regard, what developments may have been imagined or not imagined by the situation then, given the obtaining situation today
- The duty of revolutionaries, at all times, is to do a concrete analysis, basing themselves on the guidance by historical materialism (the scientific history of class struggle) and comparative experiences of the working class throughout the world and in different regions and countries of the world. This we say, because the truth is concrete and nothing exempt facts, analysis and struggle if we are to derive correct observations, theory and correct practice.

In that regard, we seek to do exactly that. We seek to avoid abstract generalisations, on the one hand and or exceptionalism, on the other, given the experiences of other revolutions in general and our own NDR in particular, which is a key part of the global struggle against capitalism.

In that regard, we have to frame the discussion correctly, with due consideration for the many experiences of other revolutions and liberation movements on the continent and beyond, in relation to how they performed or are performing and what are the reasons.

The lessons from various international struggles, including liberation struggles on the African continent are so telling for the importance of solidarity, shared lessons and internationalism.

The state of liberation movements, including PAIGC in Guinea Bissau & Cape Verde, ZANU-PF in Zimbabwe, UNIP in Zambia, KANU in Kenya, CCM in Tanzania, FRELIMO in Mozambique, FLN in Algeria as examples, illustrate the fact of how capitalism tended to isolate and capture or weaken and even kill leaders or the organisations themselves (in various ways) or turn them into agents of its interests, though grudgingly, at times.

This is also true of liberation and progressive forces beyond the African continent, including the experiences of Fretelin in East Timor, the once glorious Sandinistas in Nicaragua, the experiences of Bishop Maurice in Grenada, Francois-Dominique Toussant Louverture in Haiti and other such liberation forces, which were sabotaged by US imperialism and subjected to the most cruel forms of subjugation. But they equally suffered internal weaknesses that undermined the revolution big time. But the recent developments in Colombia are an inspiration for so many and worth supporting fully.

In cases, where they couldn't capture the revolutionary leaders, they resorted to murder and sustained sabotage of the revolution, such as in the cases of Thomas Sankara in Burkina Faso, Patrice Lumumba in the Congo, Amilcar Cabral of PAIGC and many others. The important victory of the FARC in Colombia illustrate the never ending struggles of the poor and oppressed against both imperialism and its national allies and agents.

These experiences are important for us to understand, but not oversimplify the different conditions and experiences without properly studying and understanding what makes ours similar and different.

The process of capitalist capture of revolutionary, liberation and other progressive forces is a long range game by the capitalist system, which co-opts some form the ranks of the oppressed and kill others in pursuit of weakening the revolution.

The duty of this discussion paper is not to provide answers, but stimulate and provoke the questions we must ask and answer honestly as a federation and as a working class. This is important because we are involved in a concrete struggle to find concrete solutions, basing ourselves on correct theory and proper tools of analysis.

The international situation we are facing has exposed the brutal deterioration of the working and living conditions of people. Workers are facing growing unemployment, inequalities and poverty as more and more companies face closure and retrenchment becomes the norm. This is the result of capitalist crisis and the struggle for "new" and more profitable frontiers of capital accumulation.



Further, it is both the result of the deepening crisis of the capitalist system and the vicious race to the bottom in terms of labour standards, quality of life and work, impact of delivery to the poor and all other measurements in human development terms, which are imposed by capitalism.

Capitalism is a system constantly seeking to integrate the whole world into one big market of consumers, which is to say, it must be comprised of buyers and sellers as one big shopping mall and one big factory, but owned and controlled by very few monopolies and elites.

Therefore, the state and all social institutions, shall serve to protect and reproduce the commoditisation of everything to become part of this one big market of sellers and buyers, central to which is the changing relationships between and amongst people, as well as with the environment and all aspects of life in general. This globalisation or internationalisation of the market is based on the rule of profit at all costs.

This brings us to the question of war and the essence of the militarisation of global affairs by the powerful classes to enforce and further the subjugation of other nations, workers, races, women and people with disabilities as examples. War is a permanent feature of capitalism, because the search for profits requires the conquest of ever new spheres of accumulation for raw materials and markets. The arms industry relies on wars to make profit and enforce the interests of the ruling classes, particularly of the advanced capitalist countries.

The formalisation of this militarisation of international power is best expressed by the North Atlantic Treaty Organisation (NATO), the worlds biggest military conglomeration, whose principal mission is to bully all countries and people to comply with the power and rule of global capital and the might of the US led global system of imperialism.

NATO was established on the 4<sup>th</sup> April 1949 and its headquarters is in Brussels, Belgium. It was established immediately after the 2<sup>nd</sup> World War as a global policeman of the post war victors, led by the US as the new captain of the empire. The emergence of the new empire then, included the establishment of the Bretton woods institutions; IMF and the World Bank to take charge of the design of the world economy in accordance with strict capitalist dictates. It was also closely linked to the establishment of the predecessor to the WTO, the General Agreement on Trade and Tariffs (GATT), which is the prime organ of enforcing the world market rules or the global market system we now know it.

To this extent, the global accumulation system or imperialism is the intersection of the global power nexus, particularly military, economic and political power. The design of major international institutions, such as the UN Security Council as exclusive clubs of the most powerful, are an outcome of this power process.

It is notable that the Atlantic Charter of 1941 signed by the then US President and the British Prime Minister at the time, was a post war statement defining the new world order, which laid the basis for the United Nations as a replacement of the then defunct League of Nations formed in the aftermath of the first world war. It is against this background that the current world system and its propensity to reproduce crises and more crises must be understood. From the above context, emerged the Anglophone empire, backed by the dominance of the US dollar as the global currency and the British Pound Sterling as the highly rated currency, hence the current financial fixation arrangement.

However, the deepening crises of the global financial and economic system has led to calls for a fundamental review of the world monetary and financial system, with some advocating a move to a multipolar system in which the dollar shares its international currency status with the euro, the Chinese Remnibi and or the Special

Drawing rights of the IMF. Particularly, the Cannes Summit in 2011, where G20 leaders committed to taking “concrete steps” to ensure the adaptation of the international monetary system to reflect what was characterised as the “changing equilibrium and emergence of new international currencies”.

In the ultimate end, every war is about resources and power and therefore, the current international balance of power reflect that dynamism and fact. The pursuit of profit for multinational companies of the most dominant countries, creates the basis for further tensions and war.

While much attention has been paid to the Russia-Ukraine war, the most defining feature of the world situation today is war and violence resulting in the conquest of new spheres of resources and markets, subjugation and reproduction of under-development, as in Africa and the rest of the global south have illustrated.

The Russia-Ukraine war has created a global crises in various spheres of the economy and development, with certain supply chains and systems totally disrupted and some countries running short of urgently needed goods, particularly fuel, grains and wheat, and other such essentials. This speaks volumes about the integration of the global economy and at the same time its unevenness in meeting human needs and fairly distributing to different parts of the world.

In Africa, the cases of Mali, Ivory Coast and most of West and Central Africa illustrate the endless fight by France to keep all its former colonies within its domain, perpetually. This illustrate the extent of the stranglehold by the developed world on peoples of the developing world and their natural and human resources. Despite France’s hollow mantra, “Lets us start afresh and revisit history from colonialism to independence war till today”, whatever that is essentially about, the looting goes on, in accelerated forms.

This drastic situation for poor and developing countries was further compounded by the emergence of the COVID Pandemic, as did all other drastic health crisis before which wreaked havoc across society and worsened matters for the poor and working masses.

## **2.2 The NDR in South Africa**

Against this background, it cannot be denied that the SACP’s 1962 programme was seminal in shaping the character and content of the national liberation struggle in South Africa over the next three decades. On the other hand, these are the decades in which the closest international ally of the ANC itself was the Union of Soviet Socialist Republics (USSR), which dissolved in 1991. For the first time in the SACP’s South African Road to Freedom, the thesis of Colonialism of a Special Type (CST) to characterised the nature of the oppressive system in South Africa was introduced into the revolutionary discourse of the Alliance, including the ANC. Through this programme, the SACP adapted the Marxist-Leninist international theory of the NDR to the unique material context of the CST in South Africa. The Freedom Charter which was already adopted in 1955 and became a minimum programme for the national liberation alliance, is based on the demands and ideals that in their totality clearly go beyond the formal and “bourgeois-democratic” character of the earlier version of the international anti-colonial struggles. Therefore, as a vision for the post-Apartheid state the Freedom Charter was in line with the “national democratic state” or the “state of national democracy” as an outcome of the NDR which the International Meeting of Communist and Workers’ Parties espoused and envisaged as a non-capitalist path or the socialist-oriented path.

For its part in 1969 the ANC convened its first national conference in exile in Morogoro (Tanzania), which adopted a strategic perspective in a resolution outlining a programme called the Strategy and Tactics. The Morogoro Strategy and Tactics underscored the growing strategic convergence between the SACP and ANC,

having jointly already accepted that the struggle has entered a new phase after the adoption of the armed struggle in 1961.<sup>7</sup> To underline its ideological orientation, in the first place the Morogoro Strategy and Tactics opened its introduction with an international characterisation that was in keeping with that of the International Meeting of Communist and Workers' Parties. It stated that: "The struggle of the oppressed people of South Africa is taking place within an international context of transition to the socialist system, of the breakdown of the colonial system as a result of national liberation and socialist revolutions and the fight for social and economic progress by the people of the whole world". Therefore, based on the Morogoro Strategy and Tactics and drawing from the South African Road to Freedom, the ANC and SACP theoretically converged and were in practical agreement with regard to the principles underpinning the NDR:

- That the South African context of colonial oppression was peculiar in that, 'whilst at one level it is an "independent" national state, at another level it is a country subjugated by a minority race. What makes the structure unique and adds to its complexity is that the exploiting nation is not, as in the classical imperialist relationship, situated in a geographically distinct mother country, but is settled within the borders'.
- That the 'main content of the present stage of the South African revolution is the national liberation of the largest and most oppressed group, the African people' and the black people in general.
- That within the national character of the NDR in which there is a historic task of uniting all oppressed people, of necessity, the ANC is the leading component of the national liberation alliance.
- That in the line-up of all the oppressed social strata, including the revolutionary white compatriots, the working class is the primary motive force. Thus, according to the ANC's Morogoro Strategy and Tactics "the perspective of the speedy progression from formal liberation to genuine and lasting emancipation is made more real by the existence in our country of a large and growing working class whose class consciousness complements national consciousness."
- Lastly, that the South African struggle was not merely about freedom for a formal and independent statehood and instead there was a minimum programme expressing the political and socioeconomic content shared between the SACP and ANC. This is better captured in the Morogoro Strategy and Tactics, that the South African national liberation struggle is about 'the complete political and economic emancipation of all our people and the constitution of a society which accords with the basic provisions of our programme the Freedom Charter'. Furthermore, that 'in our country – more than in any of 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.... Our drive towards national emancipation is therefore in a very real way bound up with economic emancipation.'

In the foregoing, the Marxist-Leninist origins of the NDR are clear and so is the fact that this strategic perspective has inherent class and ideological orientation. In other words, from the beginning the NDR was never a bourgeois democratic revolution as even its strategic objectives as outlined in the Freedom Charter go beyond that. To underscore the fact that the ANC's perspective of the NDR and its strategic objectives converged with the original Marxist-Leninist notion of what the NDR is, which was first translated into the South African conditions by the SACP with its 1962 programme, is the fact that the Morogoro Strategy and Tactics conceived the national liberation struggle as directly linked to socioeconomic emancipation when it stated that 'our drive towards national emancipation is therefore in a very real way bound up with economic emancipation'.

This strategic convergence between the SACP and ANC is best expressed in one of the most important conclusions of the ANC's "Green Book" of 1979, which stated that:

'The aims of our national democratic revolution will only be fully realised with the construction of a social order in which all the historic consequences of national oppression and its foundation, economic exploitation, will be liquidated, ensuring the achievement of real national liberation and social emancipation. An uninterrupted advance towards this ultimate goal will only be assured if within the alignment of revolutionary forces struggling to win the aims of our national democratic revolution, the dominant role is played by the oppressed working people.'<sup>8</sup>

To emphasise this strategic convergence, there could be no authoritative figure than President Oliver Tambo, who in his address to the 24<sup>th</sup> CPSU Congress in 1971, in fact proclaimed that the ANC was leading the NDR for the overthrow of the Apartheid regime and seizure of power to build a "socialist society".<sup>9</sup> These sentiments by President Oliver Tambo were subsequently confirmed or reiterated in his article in the *World Marxist Review*, in which he stated that:

'It is important that the world opinion should understand the true nature of the people's movement in our country. Some people are still inclined to think that the struggle of the black population is a struggle for civil rights. But this obscures the national liberation character of our movement. Perhaps this partly due to the over-emphasis at certain times on the struggle against apartheid, instead of the struggle against the entire system of national and class oppression...'.<sup>10</sup>

This original and radical perspective of the NDR outlined in the foregoing was sustained by the ANC led Alliance from the Morogoro Conference throughout the intensification of the struggle in the 1970s and 1980s up to the negotiations with the Apartheid regime, to usher in a political transition or what the ANC at its 1991 48<sup>th</sup> Conference held in Durban characterised as the "decisive phase" – envisaged to lead to the "transfer of power to the people". This conference was the first inside the country after the unbanning and was itself convened under the theme: "Advance to National Democracy" which denote the transitional state of national democracy or the national democratic state in terms of the NDR as espoused by the International Meeting of Communist and Workers' Parties. The discussion document of that conference, which was called the *Guidelines on Strategy and Tactics*, reaffirmed the NDR's correlation of class forces, in which the working class is the primary motive force, by stating that:

'Various classes, strata and social groups constitute the coalitions of forces struggling for national democracy. Black workers occupy a special place among these forces...In the field of organisation and struggle, they have emerged as the leading force'.

Similarly, this was followed by the 49<sup>th</sup> Conference held in Bloemfontein after the historic 1994 elections in which the ANC won the overwhelming majority support on a transformatory platform of the Reconstruction and Development Programme (RDP). On the Strategy and Tactics the ANC still upheld this radical perspective in terms of the class content of the NDR, as it reaffirmed that: '...we must recognise the fact that there is social differentiation between these black masses which at times will lead to the various classes and strata to express different aspirations and pursue separate objectives. While continuing to strive to represent the black people as a whole, the movement must however ensure that, at all times, and in the first instance, it represents the interests of the workers, rural masses and the middle strata, those who constitute the majority of people in this country.'

This brief theoretical outline in the foregoing deliberately sought to illustrate the NDR's strong historical links to Marxism-Leninism and its adaptation to the South African struggle. In addition to being a necessary theoretical grounding for this Political Report on the current conjuncture, the idea was also to debunk the falsehood of the dominant right-wing opportunism within the ANC since the late 1990s up to the present in diluting what the NDR is about. It is a narrative that has poisonously revised the content of the NDR in which even Neoliberal socioeconomic policies such as GEAR, ERRP, etc. are put forward as integral part of the pursuance of the NDR strategy - when these policies in fact represent a spineless right-wing deviation or even an agenda for the derailment of the NDR. As a result, after nearly three decades being in political power and despite the progressive Constitution, the political economy remains untransformed, presided over by a Neoliberal state which is unable to respond to the run-away crises of unemployment, poverty, inequalities and social reproduction. And in the overall, the socioeconomic features of the CST remain intact. So far, the discussion on the NDR has been largely at the theoretical level, we now turn to what transpired since the democratic breakthrough in 1994.

### **3. THE POST-APARTHEID STATE AND THE NEOLIBERAL TRAJECTORY**

#### **3.1 GEAR and Strategic Rupture**

The post-1994 period became a qualitatively new phase of the NDR as the democratic forces were now in political office, pulling the reigns of government in exercising political power. However, we have already mentioned that the imposition of GEAR in 1996 and the outcome of the 1997 ANC Conference held in Mafikeng together constituted a strategic turning point in the course of the NDR in this new phase of governance. The grounds for this assertion are two-fold:

- Firstly, socioeconomically GEAR introduced a Neoliberal paradigm – which is not only about the nature of the macroeconomic policies but also the ideological rationality and logic that was used by the state to inform decision making, up to the present. The post-Apartheid state itself resembles a Neoliberal state with regard to how departments, State Owned Enterprises (SOEs) and other institutions function. Currently, this state is set to play an even less role in the economy as the ERRP is giving way to the private sector in the domain of public infrastructure. The section on the political economy went into some details in this regard.
- Secondly, the 1997 ANC Conference marked the political ascendancy and consolidation of what the SACP called the 1996 Class Project, when Comrade Thabo Mbeki was elected the President of the ANC and a new Strategy and Tactics document was adopted. The 1996 Class Project was not just a conservative cabal of powerful individuals – importantly it was a class agenda that was advanced through its related ideological framework which has since permanently shifted the ideological orientation of the ANC. It is important to emphasise this because since then the ANC has maintained this right-wing framework of the NDR - despite attempts to challenge it in Polokwane and Mangaung through some radical resolutions or some rhetorical camouflage of it in the outcomes of conferences up to NASREC.

Leading to the political transition at least up to 1994, in terms of the internal correlation of class forces within the movement there was general unanimity on the leading role of the working class - as the primary motive force in the coalition of forces prosecuting the NDR. As quoted above, the Strategy and Tactics adopted by the ANC's 48<sup>th</sup> Conference in Durban it was acknowledged that the working class “emerged as the leading force”.

Following the shift in economic policy in 1996 with the imposition of GEAR, the 1997 Alliance Summit ended up without an agreement on GEAR, which represented an important development that permanently undermined strategic unity and cohesion on the NDR in the Alliance. The 1997 50<sup>th</sup> ANC Conference held in Mafikeng politically consolidated this right-wing shift – it represented a fundamental alteration in the internal correlation of class forces and ideological orientation when the adopted Strategy and Tactics did not mention nationalisation or even the Freedom Charter as the strategic goal of the NDR. Instead, for the first time the “black bourgeoisie” was elevated as part of the “forces of transformation” and the aim of the NDR was now for a “national democratic society”. In the following year, the ANC’s Umramulo published a paper entitled ‘The State, Property Relations and Social Transformation’ which was a theoretical elaboration of this agenda of “deracialisation” and the elevation of the black bourgeoisie as a motive force of the NDR. Thus, amongst other things, the paper stated that:

‘In a systematic way, the NDR has to ensure that ownership of private capital at all levels is not defined in racial terms. Thus the new state – in its procurement policy, its programme of restructuring state assets, utilisation of instruments of empowerment, pressure and other measures – promotes the emergence of a black capitalist class’.<sup>11</sup>

Thus, in one fell swoop, the NDR was about deracialising capitalism, using the state’s procurement for outsourcing and even justifying privatisation in the name of this black capitalist class. This elevation of the black bourgeoisie was not accidental as white monopoly capital had already initiated earlier forms of Black Economic Empowerment (BEE) even before 1994. In particular, SANLAM and the Anglo-American Corporation were leading in developing black empowerment schemes at the time when the white ruling class were responding to the RDP with alternative Neoliberal policies, that eventually led to the imposition of GEAR. Whilst there was still some revolutionary lip-servicing, effectively the NDR discourse had shifted to “deracialisation” and the logic was then the trickle down of the wealth from the “first” to the “second” economy and no longer about pursuing the Freedom Charter to dismantle the CST. This prioritisation of BEE was also reflected in policy and legislation, for example, the use of privatisation to secure BEE shares in Telkom, SAA and the later codification of such schemes in the Mineral and Petroleum Development Act. In 2002, the 51<sup>st</sup> ANC Conference held in Stellenbosch “reaffirmed” the Strategy and Tactics adopted at the Mafikeng in 1997, including the new claim that in the NDR the relationship between the state and private capital was defined as one of “unity and struggle” or “co-operation and contestation” around the BEE transformation agenda and in building the “National Democratic Society” (NDS). From then onwards the strategic perspective of the ANC has been located within these parameters, including the Strategy and Tactics adopted at the 52<sup>nd</sup> Polokwane Conference and 53<sup>rd</sup> Mangaung Conference, respectively.

COSATU and SACP were vehemently critical and condemned this right-wing reorientation or dilution of the NDR alongside the continued imposition of Neoliberal economic policies. As expected, this drew bitter public denunciations, which consolidated the marginalisation of other components of the Alliance. In fact, reflecting on this divergence on the NDR and economic policies, the COSATU discussion document entitled ‘Possibilities for Fundamental Social Change’ released ahead of the 9<sup>th</sup> Congress in 2006, said that “COSATU and the SACP were brutally attacked as ultra-left, for example in the Briefing Notes of 2001.” For its part, in a 2006 discussion document entitled ‘State Power’, with regard to the Alliance the SACP made the assertion that: ‘There has clearly been a significant rupture that dates back to at least 1990 (and probably before) in the common strategic and tactical perspectives.’ In turn, dominated by the 1996 Class Project at the time and on the back of a Mbeki-led two-third majority victory in the 2004 elections, in its own response document entitled ‘Does the Alliance Share Common Objectives?’, the ANC posed a cynical rhetorical question: ‘Is there a

strategic rupture between the ANC and the SACP on the approach to the NDR, and as such, should the SACP pursue its course?'. Obviously, this was a provocative question because for a long time it was understood within the ANC itself that the SACP has played an indispensable role in developing the revolutionary perspective of the NDR which culminated in a more coherent expression in its 1962 Programme, 'The Road to South African Freedom' in which it conceptualised the national and class struggles as two side of the same struggle rather than separate struggles.

### 3.2 The National Democratic Society

By the time of the 52<sup>nd</sup> ANC Conference held in Polokwane in 2007, the strategic shift reflected in the Strategy and Tactics document adopted a decade earlier at the Mafikeng Conference was consolidated in terms of the political line of the organisation. The advancement of the NDR was no longer focused on translating some of the reforms required in terms of the Freedom Charter into public policies. Instead, the strategic objectives of the NDR were now put forward as the deracialisation of South African capitalism and building the NDS. Whilst it may be true that the 2005 dismissal of Comrade Jacob Zuma as the Deputy President of South Africa and the curtailment of his role as the Deputy President of the ANC helped to unleash an internal revolt within the ANC, in reality at that stage already there was a mounting mobilisation that was spearheaded by COSATU and SACP in opposition to the 1996 Class Project. However, despite the fact that in appearance the outcomes of the Polokwane were lauded as a "watershed moment", in reality the ANC's strategic orientation did not depart from the right-wing shift made a decade earlier. Ultimately, this proved to be a shift only in terms of the "palace politics" as the parameters of the Neoliberal macroeconomic policies were already entrenched.

Actually, the Strategy and Tactics reaffirmed what was adopted in 1997. This again confirms the fact that there was an awareness that the Mafikeng Conference was a strategic turning point as no references were made to earlier conferences or the Stellenbosch Conference held in 2002, which had merely reaffirmed the Mafikeng outcomes. However, account must be taken of the fact that it was the 1996 Class Project that was in charge in the NEC that drafted the conference documents and thus ensured consistency and alignment in terms of the ideological and policy content, which in itself once again shows that the main focus was the leadership contest, although some ground-breaking resolutions such as on the National Health Insurance, Comprehensive Social Security System, Developmental State, etc. were passed.

So in line with the theme of the conference, 'Building a National Democratic Society', the Polokwane Conference focused more on elaborating the features of this NDS. In this regard, in the first place it was claimed that "a national democratic society constitute the ideal state we aspire to as the ANC and the broad democratic movement". To answer the questions "what kind of society do we seek to create?" and "what is the character of the NDR?" the elaboration amounted to no more than a vision for a deracialised capitalist society, in a mixed economy with efficient markets and the state using the redistributive mechanism of the fiscus to provide the safety net for the poor. Thus, this did not necessarily signal a strategic shift from the Neoliberal socioeconomic trajectory that the country has taken since 1996 despite the resolution on the Developmental State.

Clearly, the NDR was now emptied of its historical Marxist-Leninist origins and since then its strategic objectives are now no more than those that might espoused by an independence movement in Africa or elsewhere. This meant that the ANC's the strategic framework set out in the Morogoro Strategy and Tactics were quietly abandoned as in practice there was no longer adherence to the principles that 'our drive towards national emancipation is therefore in a very real way bound up with economic emancipation' and that the

struggle is about ‘the complete political and economic emancipation of all our people and the constitution of a society which accords with the basic provisions of our programme the Freedom Charter’. The Freedom Charter was by now reduced to an iconic symbol and a reference point in the history of the struggle – as something to cynically pay lip-service to during anniversaries but without any policy intent to translate it into reality.

However, the fact that the political leadership of the 1996 Class Project were defeated at the Polokwane Conference inspired hope within the Alliance. There was a sense that the next conference of the ANC, which was to take place in a year of its centenary, would provide a policy platform to place the NDR back on track. Leading to the 53<sup>rd</sup> Conference in Mangaung, the ANC released a discussion document for its Special National Policy Conference that characterised the first 18 years since the end of Apartheid as the first transition and calling for the second transition.<sup>12</sup> Whereas both COSATU and SACP came out in support of this thrust, the document actually set up a framework that further deepened the polarisation within the Alliance as originally initiated by the 1996 Class Project. It clearly signalled that despite the emerging discourse around the Developmental State denoted an alternative development path, actually the ANC remained entrenched within the ideological framework set more than a decade ago in terms of GEAR and the 1997 Strategy and Tactics. Interesting, it justified some of the problematic positions and approaches taken by the 1996 Class Project – in this regard we highlight two important points signalling what was to come up to the present – just to underline the fact that those who expected that the defeat of the political leadership of the 1996 Class Project would usher in a shift towards a developmental path were mistaken.

- Firstly, the discussion document claimed that “GEAR was a tactical detour necessitated by objective conditions (high public debt and deficit, bloated public service, low growth, etc.) and subjective conditions (distrust by private capital of the new dispensation”.
- Secondly, the discussion document embraced the 2001 NWC Briefing Notes attacking COSATU and SACP as “ultra-left tendency inside the Alliance”.

Anyway, the ANC’s 53<sup>rd</sup> Mangaung Conference was organised around the theme of the National Democratic Society as discussed in the main discussion document and basically, the conference reaffirmed the outline of its characteristics and reasserted the claim that the NDS is the goal of the NDR.

### 3.3 Radical Second Phase of the Transition

But leading to the Mangaung conference it was now broadly recognised in the movement that keeping the structure of the economy untransformed whilst merely relying on the fiscus to pacify the masses of our people through measures such as the extension of social grants, portions of free-basic access to water and electricity, housing, indigent policies, etc. was an unsustainable trajectory. In the overall, considering the resolutions that were passed this conference was a resounding success organisationally and in terms of its socioeconomic policy outcomes. In the overall, the Mangaung conference represented the consolidation of the gains of the working class from the Polokwane Conference and thus positioned the ANC-led Alliance to unite around the urgent imperative of driving a radical second phase of our democratic transition.

To deal with the acute symptoms of organisational degeneration that were already evident, Mangaung adopted a framework for the Cadre Policy in the context of the declaration of the Decade of the Cadre - in which there would be a focus on the ideological, political, academic and moral training of a critical mass of ANC members. Amongst others this included the framework for the Organisational Renewal, principles for cadre deployment and the rollout of the ANC’s comprehensive political school system.



On the socioeconomic terrain, whilst it signalled a shift in adopting the New Growth Path (NGP), in the end this was rolled-back by the fact that the same conference subordinated the NGP to the National Development Plan (NDP). In this regard, the conference resolved that the NGP would be “the defining framework” for the medium-term policy imperatives, whilst the NDP set a long-term macroeconomic framework - which of course is within the Neoliberal parameters established by GEAR. However, the Mangaung Conference still managed to emerge with resolutions that would have advanced the radical second phase if they were implemented, including that:

- “The starting point of our macroeconomic policy is the goals and objectives of the second phase of the transition to a national democratic society: confronting the triple challenge of unemployment, poverty and inequality directly.” Thus, “South Africa requires a flexible monetary policy regime, aligned with the objectives of the second phase of transition.”
- The industrial policy action plan would guide the reindustrialization and decent work would be the primary focus of economic policy.
- The state mining company would be strengthened to capture a share of mineral resource rents and equity;
- “Critical services such as cleaning services, security services, food services and laundry services and linen supply must be provided in-house and not be outsourced”.
- To “replace willing buyer willing seller with the “Just and equitable” principle in the Constitution immediately where the state is acquiring land for land reform purposes. Furthermore, that “expropriation without compensation on land acquired through unlawful means or used for illegal purposes having due regard to Section 25 of the Constitution.”

Whilst the achievements of the ANC in government since 1994 must not be underestimated, it has to be said that in the overall many political and socioeconomic gains were unravelled between the Mangaung and NASREC conferences. This was disappointing because it was on the back of the ANC winning the 2014 elections by a decisive 62% majority, which should have emboldened the ANC to forge ahead in implementing policies geared at driving the second radical phase of our transition and in parallel with the implementation of the project of organisational renewal, probably the ANC would have been in a much healthier space in the current conjuncture.

## **4. THE CURRENT CONJUNCTURE**

### **4.1 Balance of class forces**

Whilst politically 1994 represented a strategic breakthrough for the democratic forces, the adoption of GEAR in 1996 was a strategic breakthrough for monopoly capital and other strategic adversaries of the NDR. Over the past 28 years the leverage derived from this political breakthrough by the ANC-led democratic forces was not used to redress the inherited and vast class, racial, gender and geographic polarities of the CST. In the foregoing as well as in the section on the political economy we have deliberately provided a historical outline of the course of the NDR especially since 1994 in order to set up an underlying framework to conceptualise the balance of class forces in the current conjuncture.

We have stated that by 1994 the South African economy was basically dominated by about six pyramids of conglomerates that exercised control in multiple sectors across the economy and that the political transition which took place in parallel with the end of sanction and economic isolation of South Africa, provided these conglomerates an opportunity to restructure and internationalise in anticipation of the implications of the agenda of socioeconomic transformation. The first shot in exercise of their power in their drive to impose their own economic growth path and in showing their opposition to the developmental path set out in the macroeconomic strategy of the RDP, was when they embarked on a sweeping attack on the currency. The sold-off of the Rand against other major currencies and in turn this exacerbated capital flight during the first quarter of 1996. This was a direct exercise of class power by the Apartheid oligarchy and that event had lasting influence on the ANC government as reflected in its reaction to a similar event in 2001.

Whilst dynamics in the political terrain are informed by class-based economic interests, ultimately the balance of forces is about the power equation and the strengths and weaknesses of the two main contending class forces in society – capital and labour. In this regard, the class that has an upperhand at the level of the economic base also exercises such power at the level of the political superstructure to entrench its hegemony. Hence, Marx and Engels said that: ‘The ideas of the ruling class are in every epoch the ruling ideas’, that ‘The class which has the means of material production at its disposal has control at the same time over the means of mental production’ and furthermore that ‘the ideas of those who lack the means of mental production are subject to it’.<sup>13</sup> This is in line with the thrust of the observations made in the Political Report of our 10<sup>th</sup> Congress, when it stated that: ‘The imposition of GEAR in 1996 signalled a shift towards a conservative stabilisation project largely supported by capital and right wing political parties. At the factory level, economic liberalisation and the capital’s response to the new labour laws unleashed an unprecedented restructuring of the working class via retrenchments, sub-contracting and casualization.’

This “shift towards a conservative stabilisation project”, meaning the abandonment of the RDP in favour of GEAR on the part of the ANC government, was an over-reaction in avoidance of an open conflict with the Apartheid oligarchy – in the illusion that applying their favoured economic policies would lead to higher confidence and economic growth. Actually, the SACP’s view that in fact this Neoliberal consensus dates back prior to 1994 has merit as it would have been impossible to develop GEAR in a couple of months after the Rand crashed, as rationalised by the apologists of the 1996 Class Project. Nonetheless, these observations made at our 2009 congress underscore three fundamental and still enduring factors that are manifestations of the fact that the balance of class forces have increasingly shifted in favour of monopoly capital throughout our transition and even remain so in the current conjuncture:

- Firstly, the Neoliberal parameters set out in the macroeconomic policies originally imposed through GEAR which are supported by capital and right-wing political parties as stated by the 10th Congress Political Report, remain in place even in the current conjuncture. In fact, despite the dismal failure of Neoliberal economic policies in South Africa and beyond, there is an elite consensus on fiscal and monetary policy that cuts across organised business, Treasury and SARB as well as a large section in the leadership structures of the ANC. This is underlined by how easily within the ANC the commitment to a macroeconomic framework outlined in the 2019 manifesto was ignored and abandoned when the Treasury introduced its medium-term programme of austerity only three months after the 8 May elections. This is an enduring consensus that is drawn out a long way back as also manifested in the abandonment of the perspective of a radical second phase - in terms of the ground-breaking economic resolutions of the Mangaung Conference and the project of building the Developmental State, after the 2014 elections. In the current conjuncture, we are instead faced with

not only a catastrophic austerity programme but also the deepening of privatisation in terms of the public private-partnerships in the roll-out of “public” infrastructure. This also includes the financialisation of what is supposed to be public infrastructure through the so-called “blended financing”. The deregulation and liberalisation of the public domain of infrastructure, peddled under the false notion of “structural reforms” to facilitate the penetration of capital into electricity generation, freight rail, commuter rail and to facilitate private control of entities such as the SAA and others, has dire implications for the current fleet of SOEs. Thus, these policy developments underscore the fact that monopoly capital enjoys hegemony and still has decisive upper-hand in shaping the economic direction of the country.

- Secondly, at the workplace or factory level as stated by our 10th Congress Political Report, “capital’s response to the new labour laws unleashed an unprecedented restructuring of the working class via retrenchments, sub-contracting and casualization.” The point we are making with regard to this aspect of the balance of class forces is that capital has the upper-hand at the workplace and remains on the offensive in the current conjuncture. From 1994 the first ANC government set out to introduce progressive labour relations regime aligned to the economic policies of the RDP, which produced the Labour Relations Act of 1996. This ground-breaking legislation ushered in a new dispensation that cumulatively eroded the foundation of the Apartheid labour relations over years in setting up new institutions, workers’ and trade union rights and other related legislations and regulations. However, as highlighted in the section on the political economy, deindustrialisation, financialisation and the rise of the low-wage service sectors are the main features of the changes that have taken place in the structure of the South African economy since 1994. This has not been accidental but was part of capital’s response to the democratic breakthrough and these phenomena resulted from the unbundling of the Apartheid conglomerates and their consolidation of their components into sector specific monopolies. This corporate reorganisation strengthened their hand in driving restructuring through mechanisation, retrenchments, sub-contracting and casualization. As part of the full reintegration to the global economy, these processes of unbundling and restructuring were also facilitated by government’s relaxation of exchange controls, which in turn eased the relocation of many of these monopolies and their oligarchs to set their headquarters in the global-north. Today, many of such monopolies and their oligarchs are outspoken on macroeconomic policy and often engage the government as foreign investors. One of the good recent examples of this is in the response of the SAB-ABInBev to the hard lockdown restrictions on alcohol consumption during the second quarter of 2020 – in which it released a statement cancelling its planned investment project.
- Thirdly, the above two factors are related to the fact that the power equation between capital and labour at the workplace and in the broader society favours capital. With only around a fifth of the workforce being unionised and even less number of workers organised by militant trade unions of COSATU and a few other unions in other federations, organised labour has been on the back-foot and often reacting to the bosses’ offensive. We have not fundamentally changed the inherited Apartheid wage and social security structures, with the partial exceptions in the public sector, including local government and pockets of manufacturing, mining, metal and engineering. The wage structure in the majority of sectors remains highly stratified and unequal, which means that the proceeds in the distribution of socially necessary labour time vs surplus labour time signify the subjection of the overwhelming majority of the workforce to super-exploitation. These workers are also in precarious employment, more so the vulnerable precariat in industries such as agriculture, domestic, retail and sub-contracting services despite the proclamation of Sectoral Determinations in

2002 and the National Minimum Wage, which came into effect on 1st January 2019. The pegging of these minimum floors is not even at household subsistence level, which means that the majority of the workforce constitute the working-poor whose plight and disempowerment are aggravated by their vulnerability to retrenchment through the lack of unionisation and extremely high unemployment rate. When an overwhelming majority of the workforce are the working poor, especially in the context where there is no a meaningful social wage, additional pressure is brought to bear on the same working poor by a very large “industrial reserve army”. This enhances the upper-hand enjoyed by capital, including the weakening of trade unions by dividing the workers through the use of the even more vulnerable foreign labour.

With consecutive ANC governments sustaining this Neoliberal economic trajectory whilst monopoly capital is leveraging on its strategic upper-hand to press for reforms intended create labour-market flexibility – aligned to the existing Neoliberal economic policy paradigm - in the current conjuncture we have seen an unprecedented offensive against collective bargaining being spearheaded by the ANC government itself. Whereas to date, it was private sector employers who undermined and in some instances collapsed collective bargaining through the courts, this time the current government set itself as an exemplar in not only walking away from a legitimate 2018 collective agreement at the PSCBC but also in imposing a wage-freeze on public servants. This episode is as major setback because it affects the biggest segment of the workforce in the economy and it has been extended to other components of the public sector beyond the public service. Worst still, the fact that it has taken place in a sector that is relatively more unionised would have devastating effect on the confidence of the organised and unorganised workers in other sectors.

These developments reflecting the weakness of the trade union movement and therefore the erosion of collective bargaining are borne out by the fact that despite the legislative gains since 1994, the organisational power of labour represents only about 2 million workers (covered by collective bargaining councils) out of approximately 14 million. Actually, in 21 of the existing 35 bargaining councils trade union density is only 55%. Our uphill struggle in this terrain of the labour market and collective bargaining is further aggravated by the fact that the so-called unrepresentative bargaining councils cannot extend agreements to non-parties and vulnerable workers, whilst other bargaining councils only operate at the regional level or merely to administer retirement funds.

## **4.2 The balance of political forces**

The current layout of the political landscape further confirms the overarching strategic hegemony and decisive influence exerted by monopoly capital in South Africa. In the formal political terrain this is reinforced by the prevalent Neoliberal elite consensus on fiscal and monetary policy across organised business, Treasury and SARB as well as a large section of the ANC leadership. And this consensus is propped up by most of the commentators who are regularly given airtime on television and in newspaper columns, despite the dismal record of its failures. Corruption and the lack of capabilities to manage and implement these Neoliberal policies in government are the stock excuses given for the abject results and the worsening socioeconomic indicators resulting from these policies.

Basically, in the terrain of formal multiparty contestations at the national level, the ANC continues to occupy the centre-ground in the political spectrum. However, the further splintering and mushrooming of new political parties is one of the trends in the political spectrum. Whereas out of the 2014 elections there were about 13 political parties represented at the national Parliament from the contesting 29 parties, out of the 2019 elections

the number of parties in Parliament only grew by one but the contesting parties were about 48. The ANC's Neoliberal drift as a ruling party effectively pivoted itself as a centre-left party and in this regard it is mainly opposed by the centre-right Democratic Alliance (DA). This embrace of Neoliberalism has been a trend amongst labour and social democratic parties belonging to the Socialist International since the onset of the current Neoliberal phase of global-capitalism.

In assessing where we are in this conjuncture using the yardstick of the outcomes of the 2019 elections, the first point to appreciate with hindsight is that the results of the second general elections in 1999 marked the peak of the ANC's electoral support when it increased its tally to an overwhelming two third majority. In 2019 the ANC recorded its lowest ever national tally, at 57.5%. Historically it was only in KwaZulu-Natal and the Western Cape where the ANC had challenges in claiming majority support, even in the outcome of the first democratic elections. But the ANC was able to claim power momentarily in the Western Cape due to the introduction of floor-crossing in 2001 and from 2004 it has retained majority in KwaZulu-Natal.

As the third biggest party in the formal political terrain and with its populist-demagogy, the Economic Freedom Front (EFF) has positioned itself to left of the ANC, whilst the Freedom Front Plus (FF+) is to the right of the DA. The FF+ made some gains by cannibalising on the DA support, a constituency which the DA took for granted in 2019 when it came to campaigning and canvassing of the votes - in its ambition of gain some ground in the African segment of the vote and in this regard using the face of its nominal leader in Mmusi Maimane. This is nearly similar to how the New National Party (NNP) suffered from the DA itself about two decades ago, which earned the DA the title of the official opposition.

At the superficial level the ANC has been declining in its majority support mainly due to the fact that in every electoral round since the 2004 elections it has suffered one breakaway or splinter group after another. These are the United Democratic Movement (UDM), Congress of the People (COPE), African Transformation Movement (ATM), African Independent Congress (AIC), African Content Movement (ACM), of which the EFF seems to have been the only one that has shown some resilience and growth - as it marginally did in 2019. Nonetheless, as our ally and the party for which we campaign as the federation, we can lull ourselves in complacency by saying that until the next elections the ANC remains more than double the size of the largest opposition party in the DA at the national level, at a huge risk. The DA failed to close the gap because for the first time it suffered some loss of support since its formation.

However, going-forward there is a serious underlying structural constraint which flags a potential danger of an implosion on the part of the ANC as a leading party that still enjoys more than 50% majority. This relates to the fact that its decline is significantly related to the corresponding decline in voter participation or increase in voter apathy. This is reflected in the fact that about 10 million eligible voters did not register in 2019, which represents 72% of new voters – which is a decline from 80% in 2014. The youth in general and the working class youth in particular who bore the worst brunt of the current triple-crises, have shown a 40% drop in voter registration amongst the 18 and 19 year olds who would have been first time voters. The lowest turnout was shown in Limpopo, North West and Eastern Cape, whilst Gauteng remained steady given the intensity of the contestation - where the ANC vote fell to half of the provincial vote as it claimed about 50.2%. Similarly, voter turnout on the election day must be a concern for the ANC as a majority party as it has fallen from the height of 89% when the ANC scored a two-third majority to about 66% in 2019.

The 2021 local government elections reaffirmed the trending decline of the ANC's electoral support amidst mismanagement and the swelling service delivery backlogs at the local level. The fact that for the first time the ANC vote dropped below 50% in the 2021 local government elections is a historic and dire indication that

unless drastic changes are effected in the performance of the economy and ANC governments across all tiers as well as improvements in the state of the organisation itself, 2024 might be beckoning a medium-term future of governance through coalitions with reactionary parties. There are about 278 municipalities in South Africa, 44 districts and 226 local municipalities. At the moment, more than a third of our population lives under the control of the DA at the local level, which is now running all the metros of Gauteng, i.e. Johannesburg, Tshwane and Ekurhuleni. In addition, the DA is now in charge of 38 municipalities, including in the heartlands of the ANC such as Modimolle in Limpopo.

Since the outcomes of the 2019 elections, the DA has repositioned itself further to the right to regain the support that it lost to the ultra-rightwing FF+ in the 2019 elections, as a result of which it just marginally gained black votes in the local government elections and it is increasingly losing some of its high profiled black politicians. In the overall, we can say that in 2021 local government elections the opposition parties managed to consolidate their 2016 gains in the metros and to make some more gains even in the localities where the ANC won the majority of the votes. Hence, the ANC has lost political control in the country's key economic nodes and working class heartlands, except in Ethekewini, Nelson Mandela Bay and Mangaung.

Beyond this formal multiparty terrain, political power is diffuse. The current fundamental imbalance between the monopoly capital and the working class also finds expression on the uneven terrain of contestation amongst the non-governmental organisations and other institutions and these formations themselves reflect class and ideological alignment. The decline and eventual dissipation of the tempo and intensity of popular struggles since the political transitional process of the 1990s meant that even the forms of organisations and organs of working class or popular power in the townships, peri-urban and rural areas that emerged during the semi-insurrectionary period of the 1980s, would also dissipate. Thus, the persistent poor state of SANCO which emerged as an umbrella body of civics can be partially attributed to the effects of this overarching cycle of the revolutionary wave or cycle in the NDR.

Currently, the manifestations of working class power and influence is through local community-based organisations formed to protest about poor or lack of municipal service delivery on issues such as housing, water, land, electricity, etc. There are also other generally progressive formations formed beyond particular local areas seeking to establish themselves nationally and taking up issues such as unemployment, land reform, gender-based violence, healthcare, education, mining communities, and other issues. Beyond the Alliance and the democratic movement as a whole, working class and rural poor communities are also organised or influenced on a small scale by a whole range of ultra-left and nationalist organisations, often adhering to forms of Trotskyism, Fanonism, Pan-Africanism and Islam. Some of these formations are actually political parties contesting in elections. Some of the local community-based organisations and progressive semi-national formations tend to have some form of working relationships with a whole range of progressive research institutes and NGOs. However, there are some NGOs that in appearance seem to be aligned to the working class - based on the kind of issues that they take up against authorities but in fact are driving imperialist mandates. These may be South African organisations or internationally established ngos.

On the other end of the political spectrum, there are organisations that are aligned to monopoly capital and even imperialism. These organisations tend to emerge within the white community seeking to protect the entrenched white privileges and material gains from Apartheid on issues such as the language policy in higher education, employment equity, land reform, etc. The AfriForum has become the primary example of such organisations whose strategy is to find loopholes in public policy, legislation and consultation processes to litigate in order to resist and roll-back transformation. They also take advantage of the prevalent incompetence and corruption on the part of public officials and ANC politicians to build their popularity as champions of

morality and watchdogs of the values of our constitution. Other organisations such as the Organisation Undoing Tax Abuse (OUTA) are taking up legitimate issues such as the Gauteng eTolls and public spending on the Gautrain in the courts but not from a standpoint of opposition to Neoliberalism.

In this terrain outside the parliamentary process, the working class community-based formations and their aligned formations often influence the broader national policy discourse and decision-making through protests that invariably lead to violence as peaceful protests tend to be ignored.

Occasionally, they are able to win their demands through the courts through some alliances or with support from other quarters. The progressive student movement in SASCO, is one of the sectoral formations of the Mass Democratic Movement (MDM) that is still alive and leading in many campuses; and it too is often forced to resort to the same tactics as other working class organisations. On the other hand, the predominantly white organisations aligned to monopoly capital tend to have more impact on the national political discourse through their litigations, whilst tactically on other issues they would mobilise through forms of petitions.

### 4.3 The Alliance

We have already made the assertion that there is a lack of strategic unity and cohesion in the Alliance, especially between the ANC as the leader of the Alliance on the one hand and other components on the other. This has been so for a very long time, since the “strategic rupture”. However, we must remember that upon the dislodgment of the leadership of the 1996 Class Project at the Polokwane Conference in 2007, the inter-alliance relations improved. Actually, in 2008 the Alliance Summit “reaffirmed the ANC-led Alliance as the strategic political centre”. Unfortunately, this improvement in the inter-alliance relations at that time did not mean that there was strategic unity and cohesion on the NDR and on socioeconomic policies to work towards the realisation of its strategic objectives.

Thus, responding to the new round of dysfunctionality and tense atmosphere that prevailed within the Alliance, at its 12<sup>th</sup> National Congress in 2015 and ahead of the 54<sup>th</sup> Conference of the ANC, as COSATU we called for the reconfiguration of the Alliance as a precondition for our continuing support of the ANC in the next elections, i.e. in 2019. The sentiments of this call were not new, as they come a long way back during the formulation of the 2015 Plan when we debated around whether or not there was a need for a “Pact” in exchange for COSATU’s electoral support. However, this time around this call for the reconfiguration of the Alliance was directly linked to the raging debate leading to the SACP 14<sup>th</sup> Congress and subsequently to its 4<sup>th</sup> Special Congress around the question of the attitude of the SACP on state and popular power.

At the present conjuncture, the state of the Alliance can be characterised as follows:

- Firstly, in terms of engagements and public discourse between the organisations themselves there has been some improvement since NASREC, especially at the national level. But still, the functioning of the Alliance is marked by ad hoc and inconsistently convened meetings, often only at the requests from the SACP and COSATU. In fact, there is no real and substantive consultations on the part of the ANC with other components of the Alliance on key policy matters. Instead, there is just a routine pattern whereby the ANC meets with COSATU and SACP to receive their proposals and thereafter to make conclusive decisions later, outside the Alliance meetings. Otherwise, COSATU and SACP are invited to the ANC’s NEC Makgotla in which key policy matters are ultimately only for the ANC to conclude. In fact, references to the SACP and COSATU in the ANC reports are in the same category as the ANC leagues, hardly an appreciation that these are independent components of the Alliance and not sectoral structures of the ANC.

- Secondly, the relationship between COSATU and SACP at the national level can also be described as ad hoc, although jointly and separately there has been a recognition and decisions taken on the need to improve on working together - to systematise meetings and embark on joint mass action programmes.
- Thirdly, the factions that currently dominate the ANC are united in their anti-working class orientation. This is underlined by how the two slates wiped out ANC comrades who are also associated with COSATU and SACP at the NASREC Conference. Similarly, there was clear marginalisation of the leadership of COSATU and SACP in terms of deployments in the executive government structures and legislatures, including in the fielding of cadres for the local government elections.

Nonetheless, in line with the noted improvements in the inter-alliance relations since NASREC, through the work of the Alliance Secretariat a document called the Joint Alliance Reconfiguration Platform was endorsed by the Alliance Political Council and jointly adopted in November 2019. But the protocols of this 2019 Alliance Platform are different from those outlined in the resolution of the 2008 Alliance Summit, in terms of which there was a commitment that “the Alliance will work together to formulate policy, and monitor its implementation through joint ANC/Alliance policy committees and other mechanisms” and that “these kinds of interactions will become a permanent feature of alliance processes in the formulation, implementation and monitoring of policies”.

We probably can now all agree that the reconfiguration of the Alliance would never take place on paper, through something like the Joint Alliance Reconfiguration Platform. It is indeed a function of struggle – i.e. the organisational capacity, quality of cadreship and working class power. In this regard, we are in a general agreement with the SACP’s 15<sup>th</sup> National Congress discussion document. Therefore, it is now highly questionable to exhaust our energies in pursuing our 8<sup>th</sup> Congress resolution that proclaimed that the “ANC-led Alliance” is the strategic political centre, “alongside other centres of power including each component of the Alliance”.

This lack of unity and cohesion in the Alliance has persisted for the better part of the post-Apartheid period – having originally been engineered by the 1996 Class Project, which dominated the ANC at least up to the 52<sup>nd</sup> Conference in 2007. It was the first organised internal faction involving the top leadership of the organisation and as such it was able to drive the rightward reorientation of the ANC’s perspective on the NDR and its strategic vision. In a discussion document of its National Policy Conference held in 2012 and ahead of its 53<sup>rd</sup> Mangaung Conference, the ANC itself explained this rupture as follows:

“The differences thus manifested themselves in rocky relations in the Alliance, with disagreements on strategic and tactical matters of socioeconomic transformation – the GEAR policy, restructuring of state assets, rightsizing of the public sector, the role of public sector unions, our approach to HIV/AIDS and ongoing battles on macroeconomic policy, including inflation targeting – culminating in questioning the ANC’s position as the political centre of the NDR.”

With the exception of the issue of HIV/AIDS, clearly on all other issues which the ANC characterised as “strategic and tactical matters of socioeconomic transformation” these differences still persist in the Alliance even at this current conjuncture.



Let's underline the ANC's own assertion that these are "strategic" and "tactical" matters of socioeconomic transformation. In different areas in this document we have deliberately repeatedly mentioned that GEAR and the 1997 50<sup>th</sup> ANC Conference in Mafikeng together constitute a strategic turning-point in terms of the class-orientation of the NDR. It is thus instructive that the discussion document entitled 'The Changing Balance of Forces around the South African Transformation Agenda' for the ANC's 2022 National Policy Conference refers to the "consensus contained in the Strategy and Tactics (1997/2017)".

This underscores our thesis in terms of the strategic orientation of the NDR from this period, but the question arises as to what does this mean for the ANC in terms of its own framework laid out in the Strategy and Tactics perspectives before 1997? So, if internally the Alliance has divergent strategic goals or visions with regard to the endstate of the NDR and if the Alliance is also diametrical divergent on socioeconomic policies, what then is the current basis of the continuation of this Alliance and the ANC as its leader? These two questions demand clear answers out of this congress and are at the heart of the persisting pathetic state of the Alliance.

We have already alluded to the fact that at its 53<sup>rd</sup> Conference in 2012, the ANC adopted a framework on the Cadre Policy in the context of the declaration of the Decade of the Cadre. We know what happened since, including events leading to the highly factionally polarised 54<sup>th</sup> Conference in 2017 and in the aftermath.

The discussion document entitled 'ANC Organisational Renewal: Progress and Challenges' for the 2022 National Policy Conference ahead of the 55<sup>th</sup> Conference at the end of the year is now stating that the ANC is facing "an existential crisis" and yet there is no detailed reflection on the prevalent factional organisational patterns and their current manifestation ahead of the 55<sup>th</sup> Conference. Whilst there is some acknowledgement of factionalism and organisational weaknesses, the ANC is going to its policy conference whilst still mainly attributing its existential crisis to the external "toxic elements" and different types of "lumpens" that have "targeted the ruling party and state structures for penetration, including enemy agents". This is either a form of toxic denialism or a loss of memory because these are consequences and a syndrome from the malaise first injected into the ANC with the programme of the deracialisation of capitalism as elaborated in the 1998 Umrabulo publication, in the document, 'The State, Property Relations and Social Transformation'. To underline this point, we repeat the quotation where the paper stated that: 'Thus the new state – in its procurement policy, its programme of restructuring state assets, utilisation of instruments of empowerment, pressure and other measures – promotes the emergence of a black capitalist class'.

These were not measures to support the emergence of the black capitalist class, instead they were measures for the creation of what Comrade Joe Slovo characterised as a parasitic "bureaucratic bourgeoisie" depended on the state. Since then, the state became the site for accumulation of the tenderpreneurs, in which through outsourcing and different forms of private-public-partnerships, including privatisation or the "restructuring state assets" a triangular network was replicated across all spheres of government. This involves corrupt politicians and officials of government, tenderpreneurs and leading personalities in ANC factions.

So, with regard to the present state of the ANC, we may have to agree with the current discussion document for the SACP 15<sup>th</sup> Congress entitled 'The South African Struggle for Socialism', where it states that:

"The prospects for ANC renewal are uncertain and class character of any such renewal (were it to occur) is equally a matter of struggle. The ANC remains seriously factionalised and moral and political decay has been far-reaching. Its future electoral prospects are uncertain with a strong possibility of it achieving less than 50% in 2024."

The fact that the ANC itself admits that it is facing an existential crisis is bound to have implications for the historical mission of the NDR, at least in so far as the Alliance is constituted in the current form. It also means that the prospects for the transformation of the economic base, the shift from the current Neoliberal trajectory and addressing the multiple crises of unemployment, poverty, inequality, patriarchy, separate geographic development and xenophobia would also fade in the medium-term.

## 5. STRATEGIC OUTLOOK IN THE CURRENT CONJUNCTURE

### 5.1 Overview

The foregoing discussion critically reflected on the balance of class and political forces which largely mirror the current strategic direction of the NDR since 1996 up to the current conjuncture. This is also borne out in the political economy section. The advances that have been made in transforming the political superstructure of the CST - with the demise of the Apartheid regime and the advent of the democratic state and constitution - have not simultaneously been accompanied by the transformation of the inherited semi-colonial economic base. Instead, it's been a trajectory that reproduces the racialized, gendered and geographic inequalities of the CST. As a result, and aggravated by the COVID-19 pandemic, we are in the midst of extreme levels of unemployment, poverty, inequalities and the crisis of social reproduction, which together with gender-based violence, particularly bear the worst brunt on women in working class and rural communities. The foregoing discussion also highlighted the fact from the standpoint of the ANC, which still regards itself as the "vanguard of the National Democratic Revolution" and "a strategic centre of power", the strategic objective of the NDR is now the creation of the NDS rather than our historical vision outlined in the Freedom Charter.

Therefore, both economically and politically, the present realities inescapably compel the federation to review or at least to critically reflect on the theory and practice of the NDR as we know it – but in terms of this phase of governance and importantly in the current conjuncture - if we are to be guided by a way-forward that is relevant. In other words, in the current conjuncture it would be dishonest to merely regurgitate a historical formula of the NDR as if it is a frozen theory whilst the reality is in constant change. It was not for nothing that this political section deliberately dealt with the historical origins and ideological orientation of the NDR. This was to enable us to use our experience over the past three decades to ask and answer the following questions - as to can we still say:

1. That the 'main content of the present stage of the South African revolution is the national liberation of the largest and most oppressed group, the African people' and the black people in general?
2. That within the national character of the NDR in which there is a historic task of uniting all oppressed people, "of necessity the ANC is the leading component of the national liberation alliance"?

Definitely, under the concrete conditions of Apartheid, objectively it was in the interest of all classes of the oppressed, especially the working class who were doubly-oppressed, that the principal aspect of the struggle was the national content. Is this still the case at present? Certainly, the class structure of those who were oppressed under Apartheid has changed and the ANC can't stop praising itself for the growth of the black middle stratum over the past 28 years. Whilst still proclaiming itself the "vanguard of the NDR" or "the political centre of the Alliance", it is also true that the class composition of the ANC itself has changed, especially in its leadership echelons. The ANC itself confirms this in its own current discussion document on Organisational Renewal, which laments that its organisational structures do not lend themselves for the active participation

of the working class and middle-stratum. This obviously begs the question as to how at present the ANC characterises itself in terms of its class composition and orientation beyond the rhetorical claim that it is “a disciplined force of the left”. Is this related to the continuing dominance of rightwing opportunism with its Neoliberal version of the NDR or merely a coincidence?

We have to hasten to add that answers to these questions on the main content of the struggle and correspondingly on the leading component in the NDR at this juncture do not have to pretend that for the future there would no longer be a basis for inter-class alliances or that the ANC has not embarked on measures that have made some positive change on the inherited legacy of Apartheid. Such a conclusion would be false and may easily lead to conclusions and a strategic outlook that would end up with the isolation and further weakening of the working class in a narrow conception of the class struggle – the simplistic class against class approach.

Definitely there is still an objective basis for the working class to continue to wage its class struggle in alliance with other class forces in the terrain of the NDR, but the question is in what form organisationally and strategically? In other words, if the ANC was historically constituted as the best vehicle to ensure maximum unity of the coalition of class forces in a common front against Apartheid, in which the working class played a leading role in the upsurge from the 1970s up to the transition, are these organisational and strategic forms still adequate and relevant? Do they still they reflect the concrete conditions of the unfolding class dynamics in the present conjuncture?

These are some of the questions that Comrade Joe Slovo had to deal with in the concrete conditions of the struggle that prevailed in the 1980s in his Umsebenzi pamphlet, ‘The South African Working Class and the National Democratic Revolution’. In this regard, he reaffirmed the national character of the NDR in terms of “the immediate primacy of the struggle against race tyranny” as the principal aspect in the content of the struggle, whilst at the same time he also asserted the interrelatedness of this national character with the class content of the struggle for socialism. This speaks to the strategic converge between the ANC and SACP discussed earlier in which the Morogoro Conference asserted that “our drive towards national emancipation is therefore in a very real way bound up with economic emancipation”.

In simple terms, this is to say that in our peculiar history of the CST and at this moment since 1994, there is still a class content in the national contradiction and a national content in the class contradiction – their resolution are inseparable. Hence, Comrade Joe Slovo hastened to add that “the content of this class struggle does not remain fixed for all time”, which means that the NDR necessarily passes through historical phases that have “both a distinction and continuity between the national democratic and socialist revolutions”. This formulation by Slovo anticipated the SACP’s programmatic slogan: “Socialism is the future, Build it Now!”

Therefore, we must restate that the class, national and gender dimensions of the struggle against the CST as such were always objectively interconnected and therefore their combined resolutions, though not necessarily simultaneously, constitute the fullest expression of the success of the NDR, especially from the standpoint of the working class and rural poor. Therefore, we have to say that at this historic moment we are nowhere near such a success.

In the foregoing we have clearly also raised a concern about the real possibility of the ANC declining below 50% nationally in 2024 and by extension in some provinces even being unable to form part of the provincial governments, as illustrated in the outcomes of the 2021 local government elections with regard to municipal governments. Therefore, the immediate question that we have to confront and answer is not so much whether

the prospects of the ANC losing majority in 2024 are real, but what would be the implications were this come to pass for our strategic agenda of the deepening of the NDR. What would then become of the working class struggles on bread and butter issues both at the workplace and in communities in the face of an upper-hand enjoyed by monopoly capital and a hostile government? Whilst there is clearly no opposition party that rising and on the cusp of dislodging the ANC on its own merits and popularity at the national level, the potential permutations arising from the trending decline in ANC vote are not hypothetical.

The abject failures of the Neoliberal economic policy and pervasive corruption have combined to shake up the ANC's historical high moral ground and its self-proclaimed stature as the leader of the nation. Therefore, on its own the project of renewal of the ANC is unlikely to reverse its waning popularity unless there is some confidence created by practical action – showing that the ANC is cleansing itself and the state of corruption, economic performance is creating adequate jobs to absorb the unemployed and young labour entrants in the labour market, public services are improving and the general constitutionally guaranteed basic needs of the people are met. The most direct route for the ANC to losing power in 2024 is the continuation with its socially catastrophic austerity programme, including the public servants' pay cuts, whilst giving away corporate tax concessions and burdening the fiscus by diverting resources to de-risk private sector investment in infrastructure instead of directly investing those resources in infrastructure as government.

For some the demise of the ANC might well be a necessary development to catalyse the realignment of the political terrain and for the working class to rebuild itself as a hegemonic force in regrouping other progressive motive forces behind a through-going and radical NDR. The shortcoming of this view is that it underestimates the implications of hostile forces being in power and the self-destructive effects of losing power after such a long time, not only on the ANC but also the Alliance and the democratic movement as whole. It may also be a view that is influenced by a sense of injustice towards the rightwing opportunism that suffocated the ANC in deviating the NDR. Yet we know that there has never been a successful and radically thorough-going NDR that was not led by the working class. Historical experience also attests to this maxim as articulated by the General Secretary of the Communist Party of Vietnam, Le Duan, who had this to say on such national liberation fronts:

“The classes and strata which come together in a front of struggle usually have different long-term interests and, often, even contradictory expectations from the immediate phase.”<sup>14</sup>

So clearly the working class cannot expect other class forces to cater for its interests without itself exerting its own power and influence, not to mention to drive the historical mission of social emancipation. This is a lesson we have to embrace because in 1991 at its 48<sup>th</sup> Conference even the ANC was able to acknowledge that the working class “emerged as the leading force” over the two decades leading up to the negotiations with the Apartheid regime. In itself this underlined the shared perspective on the NDR, yet it was possible for the 1996 Class Project to engineer a strategic shift and ideological reorientation within the ANC. Of course some of the ANC leaders driving the 1996 Class Project and in the NEC were historically SACP leaders too but for such a strategic shift not to provoke as much resistance within the ANC as it did from COSATU and SACP must inspire scepticism as to whether the renewal of the ANC on the basis of a radical platform is realistic.

## 5.2 Strategic outlook

So, what is our short and medium-term strategic outlook in the current conjuncture? It is instructive to say that already our own resolutions from previous congresses provide adequate answers both on the short to medium-term challenges that we face in the current conjuncture. We simply have to look within rather than imagining fashionable or a fancy way-forward and the total sum of the posture arising from our previous resolutions amount to the following strategic outlook:

- Firstly, our immediate strategic outlook and task is to resist the deepening of the Neoliberal trajectory and to fight for an alternative developmental path around the perspective of the Developmental State. This means that we must resist and oppose the unfolding offensive on collective bargaining, pay-cuts and widening wage-gap in the public and private sector at the workplace, campaign against the current wave of austerity - budget-cuts on public and municipal services and fight against corruption and for accountability at the centre of these issues.
- Secondly, recognising the reformist limitations inherent in the alternative developmental path around the perspective of the Developmental State, we must combine this short-term posture with our anti-capitalist agitation and ideological offensive. Our critique of Neoliberalism must be combined with practical campaigns on issues and demands that place socialist solutions at the centre and thus challenging the capitalist logic and the system itself.

## 5.3 Strategic Tasks

Our answer to the weighty question on our tasks in the current conjuncture must not necessarily mean that their execution should be sequential or in stages, even though some are preconditions of others and dialectically reinforcing. Nonetheless, based on our previous resolutions our strategic tasks in the current conjuncture are fivefold – building and strengthening COSATU and affiliates, building unity in action with other unions and federations, building and strengthening the socialist-axis, building campaigns with mass-based organisations and progressive NGOs and fight for the renewal of the ANC. The September Commission Report stated that:

“COSATU’s goals are to defend workers’ rights, improve working conditions and wages, and contribute to the transformation of society. But to achieve these goals, COSATU needs to build effective, democratic and dynamic organisation. In doing this it can draw on its history.”

Our fivefold tasks are captured in this directive and we outline them thus:

### 1. ***Building and strengthening COSATU and affiliates***

In the first place, the strength of the federation is the sum total of its affiliates although the strengths and weaknesses of the affiliates are uneven. This is a task that is largely a precondition of success in other tasks but it must be carried out in combination with them. Whilst we “can draw on history”, it is also true that our gallant history was largely shaped by the context, in particular the tempo and the nature of the struggles in different moments. The paralysis that the federation experienced during this decade culminating in the expulsion of some unions has undeniably weakened its organisational power. However, there were already creeping signs of such organisational weakness and manifestations of the effects of the long-term phenomenon of declining unionisations amongst affiliates and the centre itself.

So, our starting point is that we must rebuild the federation sector by sector, clarify the overlapping scopes and target the green fields in new sectors and attracting new types of workers, including deliberately targeting white-collar, vulnerable workers and White, Coloured and Indian workers across the board. The centre itself in terms of its capacity to coordinate and represent across sectors requires a dedicated project to strengthen it. The numbers are indispensable in enhancing representation for bargaining and impacting in protests and strikes but quantitative growth is a function of qualitative strength. Growth in quantity can only be sustained through improvement in the quality of cadreship and organisational operations. In this regard, ideological and political education and training, especially of affiliates' organisers and staff is an important tasks in enhancing the quality of our operations, so is discipline across the board and using modern technologies and techniques to reach out to new and young workers.

For some affiliates that are struggling this requires the federation's dedicated intervention and support. Our 2015 Special Congress and the 12<sup>th</sup> Congress adopted the Back-to-Basics Programme, directing us to rebuild the engines of the federation and workplace organisation. Let's get back to it through systematic planning and practical execution.

## **2. Building unity in action with other unions and federations**

The task of uniting in action with other unions whilst unavoidably competing for membership is contradictory and often leads to inconsistencies. The federation remains deeply committed to our historic mission of One Country, One Federation, One Industry and One Union. This task must be pursued within COSATU and outside. Recently, both our private and public sector unions have largely out of necessity found themselves in joint collaborative work and embarking on strikes with other unions and this has even been replicated at the federation level. Whilst jealously retaining our independence and vigorously uplifting our profile and recruitment through our own programme of action, going-forward we must deliberately develop joint plans with other militant and class-oriented unions on other transformatory workplace and socioeconomic issues, beyond narrowly limiting this collaboration to wage demands.

Our 2018 section 77 strike made a massive impact in the fight against state capture and the implementation of the decision of the Public Protector on the Commission of Inquiry. Ultimately the more there is unity in action at the industry and affiliate level, the more there would be work towards unity in action at the federation level. This must include placing on the table a discussion of different forms of structural coordination on identified specific issues and on an identified day and studying other forms of cross-federation work in the form of confederations.

## **3. Building and strengthening the socialist-axis**

This task is mainly in the terrain of working class power to exact influence and build hegemony in the political and socioeconomic terrains but it first and foremost begins with the separate and joint strengthening of COSATU and SACP. It is not an exaggeration to say that COSATU is the best contemporary successor to the South African Congress of Trade Union (SACTU), in fact we carry in our genetic make-up the ideological and political traits of that non-racial, militant and class-oriented federation. Because of this background and in terms of our role as well as our ideological and political orientations, similarly it is no exaggeration to say that we are the result of the underground and shop-floor hard work of communist cadres, guided by the SACP. Therefore, it is not accidental that many of our members and different layers of leadership are first and

foremost politically organised by the SACP whilst they are also members of the ANC. Hence, as COSATU we have passed countless resolutions to support the strengthening of the SACP as our vanguard party.

In this current conjuncture, whilst we must revisit and implement our resolutions on supporting the SACP by all means necessary, the Socialist-Axis within the Alliance must be practicalised programmatically. This is an important point of departure in building it. Whilst previously we have stumbled in trying to make our medium-term strategic programmes in sync, the current conjunctural context does not allow for any complacency. In the immediate, it is a pressing task of the Socialist-Axis to do all it can to avert the implosion of the ANC in supporting its internal renewal and the potential danger of its dislodgement from political office in 2024. Whatever the short-term benefits some may see, these can also be negatively affected still in the short-term as well as in the medium-term, amidst strategic disarray within the Alliance that may ensue or in the aftermath.

In itself such a potential danger of the electoral collapse of the ANC cannot be an argument for the SACP's active and direct participation in elections. First and foremost, the Socialist-Axis must build itself and raise its profile in the townships, peri-urban and rural areas in practical struggles. But primarily in the terrain of workplace struggles, so that the SACP is not reduced to a vanguard party of the COSATU members but indeed a vanguard of the working class and rural-poor. Drawing from our history, as COSATU we have not been narrowly focused on the workplace to the exclusion of community struggles against the puppet municipalities. The issues are different and our own members are directly affected by poor service delivery and corruption in the working class communities. Through our structures, such as the area based shop-steward councils, we must work with the SACP districts and branches in the context of a nationally coordinated programme of action to mobilise and lead in these struggles.

Building popular power is an integral component of projecting a working class voice and perspectives in the broader political contestations for "political power". It is now 16 years since in its paper, 'State Power' that the SACP concluded that: "There has clearly been a significant rupture that dates back to at least 1990 (and probably before) in the common strategic and tactical perspectives". As illustrated in this document, the current cordial Alliance relations do not mean strategic convergence, instead the policy divergence and ideological polarisation are deepening. As workers, within the framework of its responsibility as a ruling party, the ANC is now struggling to practicalise its strategic leadership in the NDR terrain of the fight against income inequalities, workplace transformation and democracy.

There is a clear role for a progressive government in this regard without substituting a progressive trade union movement, but the ANC seem to have abandoned that role and in fact it is increasingly joining the offensive against workers. In this congress we have no option but to conclude this long running debate within our ranks on the SACP and elections across all spheres of government. The SACP 4<sup>th</sup> Special National Congress reaffirmed the resolution of the SACP 14<sup>th</sup> National Congress on State and Popular Power and accepted the progress made towards the reconfiguration of the Alliance. With regard to the specific question of the elections, the Special National Congress mandated the Central Committee to evaluate progress on the reconfiguration of the Alliance and to keep options open on electoral contestation in certain areas based on a criteria determined by the Central Committee and within the framework of the 14<sup>th</sup> SACP National Congress resolution. Therefore, on our part to move towards a conclusion, our debate must also revisit our previous resolutions, including our 9<sup>th</sup> Congress resolution on 'SACP and State Power', which was reaffirmed by the 10<sup>th</sup> Congress and amongst others it stated that:

“In the event the SACP deciding to contest political power as the independent working class party, the Alliance should be engaged to determine the manner in which the SACP would enter the electoral process, and mobilise the electorate for that eventuality”.

The independent and direct participation of the SACP in elections does not mean the end of the Alliance, in fact potentially it can practically mean the strengthening of the Alliance inside and outside the formal democratic parliamentary processes. This is not to deny the contradictions that may arise in the electoral support contests between candidates involved and the different components of the alliance, if not properly managed..

#### **4. Building campaigns with mass-based organisations and progressive NGOs**

This task is in the terrain of socioeconomic transformation but with political implications and therefore it pertains to the socioeconomic trajectory. Many of our socioeconomic resolutions from previous congresses capture the demands and solutions on these pressing matters, including unemployment, poverty, healthcare, education and training, climate change and our international solidarity campaigns. At the heart of these issues is the fight against the Neoliberal macroeconomic policies and this is an integral part of an alternative development path and building the Development State. Outside the shared perspectives of the Socialist-Axis in deepening the NDR, these are issues for radical reforms in the short to medium-term and therefore they are about building tactical alliance or coalitions.

Whilst some of the issues may overlap with our anti-capitalist posture, in building coalitions and campaigns it is not necessary to narrow the scope to the “left” since in the overall their content is generally progressive. But the Socialist-Axis must be the nucleus and spine of such broad based coalitions.

The SACP’s 14<sup>th</sup> National Congress in 2017 had mandated the Central Committee to “consolidate a Road Map with indicative time-lines towards the consolidation of a popular front.” One of the most important tasks is to link up and build solidarity networks with the fragmented working class and women organisations and struggles that are weakened by their geographic fragmentation and financial disempowerment, especially in the struggles for access to the constitutionally guaranteed socioeconomic rights, informal traders and workers, mining communities, land reform, etc.

This requires revitalising our campaigns on the Basic Income Grant, NHI, People’s Budget, Education Transformation and rebuilding coalitions around them and repackaging them systematically. We must also build new campaigns on climate change, tax and illicit capital-flight, corruption and other resolutions to be passed in this congress.

Government regards the ERRP as a start in building a social compact. President Ramaphosa reiterated his call for a social compact with social partners during the State of the Nation Address. This call has been accompanied by the talk of “trade-offs” and “tough decisions” to be made and this often means on the part of labour.

However, it is unclear as to what it is meant by these trade-offs and tough decisions, but historically at the centre of social compacts amongst others has been the trade-offs on productivity and wage-adjustment, labour-market flexibility and employment, corporate tax and social wage, etc. As part of building stronger working relationships with other unions and federations and to ensure that these engagements are meaningful from our standpoint, we must make sure this is not another round of the NEDLAC summits, out of which



business is unable to honour agreements as it does not necessarily represent and account to its members at the enterprise level. We must also be alive to the fact that in the overall there is consensus between government and business on macroeconomic policy.

Therefore, our starting point in entertaining this question must be the ANC's own Mangaung Conference resolution that stated that "we must ensure social dialogue on the coordination of fiscal, monetary and incomes policies to achieve these objectives." Engagement on macroeconomic policies must be a precondition as the drafting of the ERRP excluded the fiscal and monetary policies. Therefore, we must consider the question of the socioeconomic policies as a package, including macroeconomic policies, as the core of any compact, whilst ensuring workers and the working class in general do not become worse off than they are already as a result of the social compact.

## **5. Building and fighting for the renewal of the ANC**

Many of our members and leaders are passive and active members of the ANC. Still others have discontinued their membership whilst continuing to remain loyal to the ANC and federation's resolutions to vote for the ANC. Our 13<sup>th</sup> Congress reaffirmed this resolution in as far as the 2019 elections were concern and by extension since this resolution remained until the next congress we have also supported the ANC in the 2021 local government elections. Since the 54<sup>th</sup> ANC conference in NASREC it is clear that the fight against corruption has taken a qualitative change within the ANC after that decisive ANC NEC meeting in March 2021.

A number of ANC members stepped-aside and others were served with notices of suspension, including the ANC Secretary General, Ace Magashule. Furthermore, that meeting adopted terms and conditions for elected office bearers and public representatives who have stepped-aside or were temporarily suspended. The National Working Committee and NEC in May 2021 ensured that the Rule 25.70 of the ANC Constitution is applied and it remains in enforced.

Our fight for the ANC's renewal must ensure that this organisational disciplines are implemented consistently across all layers. However, there is a limitation on what we can do as the federations other than putting pressure as part of the Alliance and as members in our own right - especially in the light of the ANC's 2022 National Policy Conference and the 55<sup>th</sup> National Conference.

In terms of the 2024, our debate on this matter requires that we take an approach that considers it together with the SACP's own attitude to these elections, which can't be compelled by us, and the total implications pertaining to canvassing and mobilising members in rescuing our NDR.

## Endnotes

- <sup>1</sup> The Growth Employment and Redistribution (GEAR) was imposed in 1996 as “non-negotiable”. This was the first of many instances to come, as outline in this report, in which a popular electoral mandate would be summarily abandoned after the ANC is elected. Through GEAR the rationale and parametres of the Neoliberal macroeconomic management were set and they persist up to today, even when circumstances changed and economic policy assumes a new name.
- <sup>2</sup> Irina Filatova (2012) ‘The Lasting Legacy: The Soviet Theory of the National-Democratic Revolution and South Africa’, South African Historical Journal, Vol. 64 No. 3.
- <sup>3</sup> Ibid.
- <sup>4</sup> Mao Zedong conceptualised this experience as a new type of revolution led by the proletariat or with the participation of the proletariat in the leadership and having as its aim, in the first stage, the establishment of a new democratic society and state under the joint dictatorship of the revolutionary classes – under a transitional phase called “national democracy”.
- <sup>5</sup> Irina Filatova (2012) ‘The Lasting Legacy: The Soviet Theory of the National-Democratic Revolution and South Africa’, South African Historical Journal, Vol. 64 No. 3.
- <sup>6</sup> Ibid
- <sup>7</sup> Accordingly, the first phase of the anti-colonial struggle in South Africa ended with the Bambatha rebellion in 1906, then followed a new second phase which was characterised the establishment of the more national political formations to build unity amongst the oppressed using different forms of protests that were largely peaceful but escalating in their intensity and mass character.
- <sup>8</sup> Irina Filatova (2012) ‘The Lasting Legacy: The Soviet Theory of the National-Democratic Revolution and South Africa’, South African Historical Journal, Vol. 64 No. 3.
- <sup>9</sup> CPSU, Bulletin no 10 (Moscow: Pravda, 1971), 54.
- <sup>10</sup> World Marxist Review, December, Vol 18, No. 12. 1975.
- <sup>11</sup> African National Congress, ‘The State, Property Relations and Social Transformation’ in Umrabulo No.5, Third Quarter, 1998.
- <sup>12</sup> This discussion document was entitled ‘The Second Transition? Building a National Democratic Society and the Balance of Forces in 2012.
- <sup>13</sup> Karl Marx, “The German Ideology,” in The Marx Engels Reader, Second Edition, ed. Robert C. Tucker (New York: Norton, 1978), 149.
- <sup>14</sup> A Speech on the “Role of The Vietnamese Working Class and Tasks of The Trade-Unions at The Present Time”, delivered at the enlarged session of the Central Committee of the Vietnam Federation of Trade-Unions, December, 28, 1966.

## SECTION TWO: THE POLITICAL ECONOMY IN THE CURRENT CONJUNCTURE

### INTRODUCTION

To enhance our conceptualisation of the current developments in the political economy, amidst crisis levels of unemployment, poverty and inequalities, it is essential to make a brief historical outline in order to highlight the underlying systemic constraints and the path-dependent nature of economic development in South Africa leading to the current conjuncture. The fact that capitalism did not organically develop but was imposed by imperialism through the plunder of mineral resources determined a particular colonial economic structure in which cheap black labour as well as the country's heritage of finite mineral and environmental resources were irreversibly exploited. Thus, the South African capitalism has its own peculiar and persistent impediments to accelerated economic growth that are drawn from its past and that unfortunately have been reinforced by the current Neoliberal trajectory established since 1994.

These impediments are generated by the semi-colonial character of the economy and they were already recognised within our democratic movement during the early stages of our political transition. Hence, COSATU pioneered an economic agenda for the transformation of the inherited economic structure which culminated with the adoption of the Reconstruction and Development Programme (RDP).<sup>1</sup>

Even though the original proposals from COSATU were subsequently diluted in order to produce a weakened version of the RDP in the form of the White Paper, its industrialisation framework remains relevant to date and could still make a radical difference given what has transpired over the years after Neoliberal economic strategy, Growth Employment and Redistribution (GEAR) was imposed.<sup>2</sup> The RDP's industrialisation framework envisaged an active role for the state to catalyse manufacturing in following way:

“Government will aim to extend the international competitive edge of selected industries. Second, light manufacturing subsectors will receive support if they show the potential to emerge from existing protection. Third, the void between primary commodity industries and manufacturing industries will be filled through Government encouragement of forward linkages and minerals beneficiation. Fourth, the Government will support agro-manufacturing sectors which are less capital-intensive and can directly and indirectly create employment. Fifth, the Government will drive industrialisation towards higher value-added activities, and to raise productivity through human resource development, work reorganisation, democratisation of the workplace, and technological development. Government will promote a greater understanding of the importance of technology in economic growth, assist by identifying the role of technology in beneficiation, increasing productivity, the development of exports, and improving health and safety, and will support the identification and utilisation of technological and design competency.”<sup>3</sup>

We restate this industrialisation policy framework to emphasise the fact that from the beginning the federation was not flat-footed and passive. Instead, it was proactive in influencing the ANC and government policy in the interests of members and the working class as a whole. This also underlines the fact that before 1996, the working class as a motive force still exerted some strategic influence in terms of the NDR in this phase of governance and that since then the relationship between the ANC and the other components of the Alliance has been ridden by perpetual polarisation when it comes to economic policy. This industrialisation framework indeed resonates with our approach to industrialisation as outlined in our 'Growth Path Towards Full-Employment'. Whilst there have been some changes in the inherited economic structure of the CST over the past 28 years, contrary to what was envisaged in the RDP we can say that these changes represent a regression in the overall structure of the economy.

This means that instead of the diversification and deepening of manufacturing to enhance value addition and the creation of decent-jobs, we have instead seen de-industrialisation taking place since 1994. These changes in the economic structure manifest in the relative growth of the predominantly low-wage service sectors. This is marked by the rise of finance on the one hand and the decline of manufacturing together with the mineral and mineral-processing industries on the other hand. The increase in the size of the financial sector is part of the international tendency of financialisation and this is one of the primary features of capitalism in the current Neoliberal phase since the early 1970s.

In South Africa the Neoliberal agenda had already gathered some momentum during the terminal years of Apartheid, as highlighted by the privatisation of SASOL in 1979 and ISKOR 1989. Hence, parallel to the political negotiations the Apartheid regime actively engaged the ANC around its Neoliberal package called the Normative Economic Model, from which GEAR extensively drew. The rise of finance and the service sector alongside de-industrialisation or the decline in manufacturing mimics the prevalent pattern in the economies of the global-north in the wake of financialisation. In this regard, many industrial monopolies of the global-north relocated their low-wage manufacturing value-chains to the global-south, in particular in East Asia, whilst retaining control, research and design within these monopolies in imperialist centres. Therefore, South Africa's de-industrialisation is peculiar and premature for an economy of the global-south that is yet to develop advanced technological capabilities.<sup>4</sup>

This regression underscores the persistence of the impediments embedded in the inherited colonial economic structure, at the core of which is the Mineral-Energy Complex (MEC).<sup>5</sup> The concept of the MEC should not be misunderstood to mean a narrow reference to the mineral and energy sectors only, to the exclusion of others. Instead, it encapsulates the fact that even the layout of economic infrastructure, especially electricity and water, as well as the role of finance capital reinforced a trajectory that is heavily dependent on the primary industries, especially mining for the country's export earnings. Thus, the MEC actually refers to the character of the economic structure at the heart of which is the domination of mining, mineral processing, basic chemical and plastic industries.

The raw and basic products from this primary sector tend to be exported to other countries to make innovative fabrications and often returning back as imports in high-value finished products. This rigid economic structure of the MEC favours capital-intensive production methods, often using imported heavy equipment, and thus it undermines employment creation and the expansion of value-addition through manufacturing or industrialisation as such. Worst still, it is also carbon-intensive and therefore environmentally unsustainable which means that unless there are proactive adaptation measures, there may be a bleak future as the international terms of trade are increasingly becoming environmentally sensitive in response to the agreements around climate change.

As stated in the above quote from the RDP, even to this day the “the void between primary commodity industries and manufacturing industries” still persists, in which no meaningful beneficiation and forward-linkages in the development of the diversified downstream manufacturing has been established to capitalise on the competitive advantage that we have from “the wealth of the land”, of which the Morogoro Conference spoke about.

In the first decade of democracy, there was no active industrial policy. Government was committed to the Neoliberal principle that trade liberalisation would force the South African industries to be competitive and therefore markets would naturally determine the allocation of capital for industrialisation. Therefore, in the absence of an active industrial policy, the MEC economic structure remained entrenched and thus trapping

the South African economy at the semi-colonial level in terms of the international division of labour. Deindustrialisation, financialisation and the rise of the low-wage service sectors are the main features of the changes that have taken place in the structure of the South African economy since 1994. Combined with these features, there have also been some drastic changes in the corporate architecture of the commanding heights, especially involving the MEC conglomerates, in response to the 1994 breakthrough and Neoliberal globalisation.

## **MONOPOLY CAPITAL AND THE DEMOCRATIC BREAKTHROUGH**

In the midst of the intensifying semi-insurrectionary struggle during the 1980s, especially with the rise of the militant black trade union movement, capital increasingly collaborated with the Apartheid state around its “total strategy”, which was a combination of suppression and reform.<sup>6</sup> In this context the historical divide between the English and Afrikaner capitals was further eroded as they responded to the escalation of sanctions and large-scale disinvestment by buying off assets of the fleeing foreign capital. In turn, this process deepened the concentration and centralisation of capital which engendered the consolidation of few conglomerates straddling across multiple sectors. Thus, by 1994 the South African economy was basically dominated by about six pyramids of conglomerates that exercised control in multiple sectors across the economy, namely the Anglo American Corporation, Sanlam, SA Mutual, Rembrandt, Anglovaal and Liberty Life.<sup>7</sup>

If the 1980s were characterised by the conglomeration of monopoly capital into large multisectoral pyramid structures, the early post-Apartheid era was characterised by the unbundling of these conglomerates and the consolidation of their components into sector specific monopolies.<sup>8</sup> Adopting the international trend in which companies were becoming more focused on their “core businesses”, many sectors in the South African economy increasingly became dominated by sector-focussed monopolies and even cartels that in many instances were vertically integrated.<sup>9</sup> This means that these monopolies extended their control even into their input suppliers across the value-chain and this enabled them to extract monopoly rents.<sup>10</sup>

Against the backdrop of trade liberalisation from 1995 when South Africa recklessly joined the World Trade Organisation (WTO), the downstream manufacturers that buy raw and basic materials from these monopolies of the MEC found themselves increasingly unable to compete with the flood of competitive commodities and finished products from outside. Many manufacturing companies increasingly lost their market-share and thus started to shrink, others deepened mechanisation and thus started to retrench and still others shutdown their plants. Hence, deindustrialisation combined with massive job-losses accelerated in the post-Apartheid era especially during the GEAR period when the prevailing Neoliberal logic dismissed the need for any active industrial policy. At best, at this stage the industrial policy was just passively functional, reduced to forms of incentives to support sectors or firms that were struggling to adjust to trade liberalisation, which of course was not adequate to prevent the large scale job-losses that ensued.

Similarly, fixated with implementing “credible” macroeconomic policies in terms of GEAR, from 1997 the post-Apartheid state deregulated the exchange controls and to allow for the listing of the South African corporates in the stock-markets of the global-north.<sup>11</sup> This engendered a massive capital flight as these restructured corporates, the former Apartheid conglomerates, even relocated their headquarters to the global-north and many of the Apartheid oligarchs emigrated to ensure that the wealth accumulated on the back of the super-exploitation of black labour under Apartheid is out of reach from the democratic state.<sup>12</sup>

From 1994 leading to the global capitalist crisis in 2008, the economic growth rate average 4% a year, largely driven by the international super-cycle of the prices of minerals. However, this was a jobless growth amidst corporate restructuring, trade liberalisation and fiscal austerity. So, with GEAR having failed to realise its main economic targets of 6% growth rate and employment creation of 400 000 annually whilst poverty, inequalities, high

unemployment, service delivery backlogs were rising, it increasingly became apparent that the Neoliberal growth path was reinforcing the structural barriers for socioeconomic transformation, even to the 1996 Class Project that dominated government at that time. After the 2004 elections the parameters of the economic policy began to shift with a view to fix the shortcomings of its Neoliberal growth path, without fundamentally changing the fiscal and monetary policies.

Thus, the Shared Growth Initiative (ASGISA) was introduced in 2005, which was followed a move to incorporate an active industrial policy in the form of the National Industrial Policy Framework (NIPF) in 2007, which was instrumentalised through a series of constantly reviewed Industrial Policy Action Plans (IPAPs). Even though these policies marked an important shift within the entrenched parameters of the Neoliberal economic policy framework, the persistence of the conservative fiscal and monetary policies meant that they could not temper with the inherited systemic impediments and features such as deindustrialisation and financialisation and the stifling domination of the MEC monopolies.

## **POST THE 1996 CLASS PROJECT**

The National Development Plan (NDP) was adopted in 2012 amidst a growing consensus around the need for an alternative developmental path in the wake of the dismal failure of GEAR, flowing from the broad policy thrust of the outcomes of the 52<sup>nd</sup> ANC Conference.

Despite the dislodgement of the 1996 Class Project at the Polokwane Conference, the

Neoliberal macroeconomic policies were secured and entrenched in government through the NDP (chapter 3) as a long-term “strategic vision”.

The NDP was hegemonised by incorporating transformatory policies drawn from the resolutions of the Polokwane Conference, including IPAP, the need for a state-owned pharmaceutical company and the National Health Insurance (NHI).

Therefore, despite these shifts signified by the rhetoric around building a developmental state, the Polokwane Conference did not overcome “strategic rupture” that existed within the Alliance since GEAR was imposed because the parameters of Neoliberal economic policy remained in place. Instead, contradictions continued to persist although the alternative developmental perspective was accommodated and managed by allowing for radical resolutions in the ANC conferences such as Mangaung and NASREC as well as through the Alliance Summits in between. In reality, most of such radical resolutions were never translated into government policies especially those pertaining to economic policy and the Neoliberal fiscal and monetary policies have never been reviewed since the adoption of the NDP and they remain in the present conjuncture.

In the intervening period from the 2009 recession leading to the current 6<sup>th</sup> democratic dispensation in 2019, economic stagnation ensued, as the economic growth rate averaged a mere 1.2% over the decade. The initial positive economic growth rates after the 2009 recession started to fall year after year, amidst low investment

rate by the private sector. The mismanaged and corruption ridden State Owned Enterprises (SOEs) undermined the National Infrastructure Plan that was launched in 2011 and instead overtime these entities ran into insolvency and being forced to get government guarantees for their debts and thus swelling sovereign debt.

By the fifth democratic dispensation, this vicious cycle of economic stagnation combined with deepening of corruption, culminating in vast network gripping the SOEs and some government departments in the form of the Gupta state-capture became apparent. Consistent with the overarching Neoliberal macroeconomic policy framework, the fifth democratic dispensation formulated the 2014-2019 Medium-Term Strategic Framework (MTSF). This was the first of the government-wide five year plans conceived as incremental action programme in pursuit of the key objectives and goals of the NDP and towards its horizon in 2030.

The 2014-2019 MTSF was accompanied by the launch of an austerity programme announced by Minister Pravin Gordhan during the 2015 Budget Speech. Led by President Jacob Zuma, the fifth democratic dispensation miserably failed to achieve the targets outlined in its 2014-2019 MTSF. Thus, instead of an increase in the GDP growth rate to 5% by 2019, the economy was basically grounded in stagnation, having suffered episodes of technical recessions in both 2017 and 2018 and ending the term of the fifth democratic dispensation in 2019 with a pathetic 0.8% growth rate. In fact, during the tenure of the fifth democratic dispensation from 2014 to 2019 the GDP growth rate averaged a mere 1%. Hence, real GDP per capita started to decline from 2015 and the fact that this was happening whilst the population growth rate itself continued to slow down from the heights of the 1990s underscores the severity of economic stagnation of that period.

The introduction of the NIPF in 2007 and the subsequent annual iterations of the IPAPs may have had a positive impact in decelerating the rate of deindustrialisation. Together with interventions made to support the clothing and textile industry, the support provided to the vehicle industry through the Motor Industry Development Programme (MIDP) has been the main highlights of the industrial policy to date, although for the former the impact did not yield positive outcomes as the sector continued to shrink.<sup>13</sup> With regard to the MIDP the persistence of inadequate local content and linkages with the local component suppliers remains a key weakness. This failure to drive industrialisation has led to a drastic change in the composition of the economic structure, in which manufacturing shrunk from 21% in 1994 to around 12% in 2019. Hence, this has now become a predominantly services-based economy, for a global south country.

Disturbingly, the NDP envisages manufacturing to decline even further and takes for granted the negative phenomena such as financialisation, deindustrialisation and the growth of low-wage service sector, which underscores its perverted Neoliberal orientation.

So far, the industrial policy itself has been lacking adequate scope and scale to reverse deindustrialisation given the limited fiscal support and other necessary instruments for interventions, compounded by the collapsing SOEs and austerity. The fact that the Industrial Development Corporation (IDC) increasingly shifted its focus towards Black Economic Empowerment (BEE) since the introduction of the legislation in 2012 may have been at the expense of the imperative to stem the tide of deindustrialisation, as some of the BEE companies became channels for imports into the South African economy.

The BEE policies did not inject any momentum into industrialisation, instead the use public procurement to support BEE served to weak the capabilities of the state itself through outsourcing. So, even the agenda of “deracialising” the economy that was championed by the 1996 Class Project dismally failed as it was hindered

by factors such as the persistence of highly centralised and concentrated monopolies in mining and mineral processing, excessively deregulated trade regime, high barriers of entry for new participants even in manufacturing, the lack of technical engineering skills and access to capital. These impediments are further compounded by a weak regulatory regime for competition which is managed by an authority that lacks the necessary capacity and mandate to break up the entrenched monopolies that are stifling dynamism and collecting rents.

**Table 1: Gross fixed capital formation, gross value added, and employment - 1994–2019**

	Gross fixed capital formation		Gross value added		Employment	
	2019 Share	CAGR* 1994-2019	2019 Share	CAGR 1994-2019	2019 Share	CAGR 1994-2019
<b>Agriculture, forestry and fishing</b>	2.7%	0.6%	2.1%	1.2%	7.1%	-0.9%
<b>Mining and quarrying</b>	11.3%	4.7%	8.3%	-0.4%	3.1%	-0.9%
<b>Manufacturing</b>	14.3%	2.3%	13.2%	1.8%	9.3%	-0.5%
<b>Heavy-industry</b>	7.4%	2.6%	3.9%	2.5%	1.9%	-0.7%
<b>Diversified manufacturing</b>	6.8%	1.9%	9.3%	1.5%	7.4%	-0.4%
<b>Electricity, gas and water</b>	11.1%	6.1%	3.8%	0.7%	0.4%	1.0%
<b>Construction</b>	1.9%	7.0%	3.8%	3.8%	5.8%	2.0%
<b>Wholesale and retail trade</b>	6.3%	5.3%	14.3%	3.1%	19.8%	2.9%
<b>Catering &amp; accommodation services</b>	0.8%	2.0%	0.9%	1.5%	3.4%	1.4%
<b>Transport and storage</b>	16.3%	6.7%	7.9%	2.8%	3.9%	4.5%
<b>Communication</b>	1.6%	11.5%	1.8%	7.3%	0.7%	-0.4%
<b>Finance and insurance</b>	3.9%	2.8%	6.4%	4.2%	2.5%	1.0%
<b>Business services</b>	12.9%	2.3%	13.3%	3.4%	15.0%	3.4%
<b>General government</b>	15.2%	4.3%	18.2%	1.9%	12.9%	1.6%
<b>Community, social and personal services</b>	1.7%	5.9%	5.9%	2.6%	16.0%	1.2%
<b>All sectors</b>	100.0%	4.0%	100.0%	2.3%	100.0%	1.4%

\*CAGR stands for Compound Annual Growth Rate.

Source: Quantec RSA Standardised Industry Indicator Database



As illustrated in Table 1 above, gross fixed capital formation, which measures fixed investment has been very low in manufacturing between 1994 and 2019, leading to the current conjuncture of the COVID-19 and ERRP. This means that it has significantly shrunk to 14%, dropping from 20% in 1994, which underscores the phenomenon of deindustrialisation. Other than Community, Social and Personal Services and General Government, which significantly comprises of public service professionals, the large proportion of employment in Wholesale and Retail signifies the low-wage tendency across the services as a whole, whereas mining was the biggest employer in 1994.

In the foregoing historical outline of South Africa's Neoliberal trajectory, we set out to provide some background to the current conjuncture. This brief outline helps to provide an enhanced conceptualisation of the current conjuncture under the sixth democratic dispensation, in which there is still some persistence of deindustrialisation, financialisation and the semi-colonial MEC economic structure. In addition to the impact and effects of the COVID-19, these features also account for the country's failure to stem the tide of the prevalent crises of unemployment, poverty and deepening inequalities, which are mutually reinforcing with poor service delivery and corruption.

## CURRENT CONJUNCTURE

Within the bounds of capitalism, a developmental state must use economic policies and public institutions to proactively catalyse the advancement of productive forces. To this end it must set up measures to enhance technological capabilities and skill upgrading in order to move the core of the economic structure to higher-value added activities in order to make a breakthrough in the international division of labour. In this regard, diversifying and deepening manufacturing is key especially in South Africa given the abundance of valuable raw materials and the possibility of broadening the economic structure by proactive measures to benefitiate and to build backward and forward linkages across sectors around manufacturing.

Manufacturing may not be the only sector that can propel socioeconomic development but it is catalytical because it has the widest scope that can positively impact on others to engender a broad-base developmental trajectory - in fabricating inputs from upstream primary industries and supplying its products as inputs and finished products to other sectors. According to the United Nations Industrial Development Organisation (UNIDO), every job created in manufacturing is associated with two or three jobs created outside of manufacturing.<sup>14</sup> Such advanced technological and skill capabilities have the benefit of raising pay, whilst at the same time there are also possibilities of defusing technological and skills application into other sectors and influencing education and training, research and development to overcome the current semi-colonial character of the South African economy.

What Neoliberal governments such as our own do not comprehend is the fact that beyond the formulaic "sound fundamentals" expressed in terms of their technical macroeconomic economic ratios or matrices in the Neoliberal took-box to impress finance monopoly capital, at the end of the day the more realistic and sensible yardstick to measure the effectiveness of economic policies are the rates of unemployment and poverty as well as the income and wealth gap between the rich and the poor. The economy itself and government's economic policy must be about ensuring access to income and assets for dignified livelihoods, universal health coverage, education, housing, municipal services and social protection especially for the most vulnerable. These are not just the socioeconomic guarantees prescribed in our Constitution; they constitute some of the key strategic objectives of the NDR towards the realisation of our collective vision of the Freedom Charter.

## Socioeconomic context

From the 2009 recession up to the election of the sixth democratic dispensation in 2019, the mutually reinforcing triple-crises of unemployment, poverty and inequalities have actually been aggravated, amidst a perverse scale of corruption laying waste to essential public resources and undermining the capabilities of the state itself. The launch of an austerity programme in 2015 to reduce the rate of spending in order to contain the rising public debt only served to choke the economy even further. Instead, whilst spending on public services continue to fall per head as budgetary cuts undermined economic growth an additional pressure on the fiscus was brought to bear by the wasteful and mismanaged SOEs. These SOEs include those that are integral to building and upgrading the economic infrastructure, such as Eskom, Transnet, SITA, Prasa, Land Bank, etc. Some of these entities actually ran into insolvency - requiring loan guarantees and bail-outs, which the Treasury continued to give out without conditionalities on their executive pay structures as well as their outsourcing contracts, hence the public-debt further ballooned.

The fact that from 2014 income per head started to fall as the population growth rate exceeded the economic growth rate and austerity was causing government spending per head also to fall meant that the country has been regressing socioeconomically and becoming poorer, whilst public services such as transport, housing, roads, healthcare, education deteriorated and backlogs swelled.<sup>15</sup> Therefore, sinking in its own internal multiple crises South Africa was hardly prepared for any externally induced catastrophe on a scale such as the COVID-19 pandemic.

The economy was already on a downward spiral, following the almost zero economic growth rates in 2018 and 2019 respectively and this spilled over into the first quarter of 2020. In fact, the COVID-19 contagion broke out as the economy was already in recession and the western sovereign rating agencies were condemning the country's investment rating into a "junk status" or sub-investment, which made borrowing requirements even more onerous. Thus, the impact of the COVID-19 pandemic aggravated the syndrome of our inherited and disastrous Neoliberal trajectory when the economy plunged into a 6.4% contraction in 2020, which threw more than 2 million people into poverty.<sup>16</sup> This was largely precipitated by the 21 days of hard lockdown after the declaration of the State of Disaster during the first wave of the Coronavirus contagion between March and April, which caused a catastrophic 17% negative growth rate in the second quarter of 2020.

Despite last year's growth rebound of 4.9%, according to the central bank the size of the economy is still below that of 2017 and it is about 1.8% smaller than it was in the first quarter of 2020, just before the outbreak of COVID-19 contagion took over South Africa. Unfortunately, going-forward the International Monetary Fund (IMF) forecasts GDP growth rate of a mere 1.5% a year between 2022 and 2026 in South Africa. This means that there is a real possibility of yet another wasted tenure of the ANC in government, amidst worsening record levels of unemployment, poverty and inequalities which are compounded by austerity.

The World Bank released a report this year, which confirms the fact that South Africa remains the most unequal society in the world. The report states that: "Based on Gini coefficients of consumption (or income) per capita, South Africa, the largest country in SACU, is the most unequal country in the world, ranking first among 164 countries in the World Bank's global poverty database".<sup>17</sup>

With regard to the labour market, the latest data released by Statistics South Africa on the unemployment rate recorded during the fourth quarter of 2021 confirm that we may be back to economic stagnation or jobless growth of the past rather than a recovery of the jobs and the reconstruction of the economy. Thus, in terms of the expanded definition, we are sitting on a ticking time-bomb of a record 46% unemployment rate, in which

51% of women, 50.7% of Africans, 37.6% of Coloureds, 29.6% of Indians and only 11.5% of whites are unemployed. Accordingly, more than half of the labour force in the Eastern Cape is unemployed (53%), whilst the Northern Cape has the lowest unemployment rate, at 25%. Gauteng, the province with the largest population, its expanded unemployment rate is 44.4%. The official unemployment rate (35.3%) increased in five provinces compared to the previous quarter; the largest margin of which was recorded in KwaZulu-Natal (3.7%), followed by Mpumalanga (2.2%), Western Cape (1.7%) and Limpopo (1.4%).

The fact that manufacturing shed the most jobs (85 000) in the fourth quarter of 2021 may be partially related to the disruptive effects of load-shedding, in addition to the currently prevalent supply-chain constraints both domestically and internationally. And the fact that the construction sector was second in recording high job-losses in the same period confirms the fact that fixed capital investment remains low, despite the grand investment pledges that have been made in the annual Presidential Investment Conferences since 2018. Construction contracted by 1.9% in 2021 as a whole, which is a fifth year of consecutive decline.

This also underscore the fact that the so-called Operation Vulindlela that is coordinated by the Presidency and Treasury, which is a private sector led investment initiative in infrastructure, has so far failed to gain traction since it was launched in October 2020. Yet after this year's and the fourth South Africa Investment Conference government is boasting that it has so far mobilised 95% in investment commitments of its R1.2 trillion target launched in 2018.<sup>18</sup>

In addition to highlighting the urgency of the implementation of the National Health Insurance (NHI), the COVID-19 also underscored the imperative of the introduction of a Basic Income Grant (BIG). The Social Assistance Act of 2004 merely extended the grants that were previously given to poor whites without an attempt to transform social protection system to meet the needs of the broader population.

Therefore, even though the current social security net reaches about 18 million people (2020), which is about a third of the population, it still has holes in terms of its exclusion of the unemployed adults of working age. Many casualised workers, including informal workers, have no social security benefits such medical and retirement insurances. In addition, over 40% of the population are trapped in poverty and recently there have been reported cases of hunger and child starvation, which underscores the fact that the current social protection system is weak relative to the scale and depth of the poverty afflicting the majority of our people. The Unemployment Insurance Fund (UIF) only provides benefits for the formally employed workers who become unemployed or unable to work due to illness, maternity or adoption leave - providing a financial relief of 238 days in total. Of the nearly 2.2 million job-losses during the second quarter of 2020, around 1.5 million were informal jobs, which means that they did not benefit from the UIF. In this regard women bore the worst brunt as they are concentrated in the informal business that are most vulnerable, including to the effects of the 2021 July looting and the floods in KwaZulu-Natal. The South African informal economy is uniquely small for country in the global-south – it has averaged a third of total employment throughout the post-Apartheid era and this is related to the lack of access to capital, infrastructure and concentration in ownership.

Nonetheless, in the wake of the COVID-19 pandemic, in 2020 government rolled-out a number of support measures to households, employers and employees, which included: increasing social grants values for six months, the introduction of the Social Relief of Distress Grant (SRD grant), extending the Temporary Employer/ Employee Relief Scheme (TERS) and various financial schemes to support to small business. But still, as a specific category, the informal workers did not get any financial aid to mitigate their circumstances as they are excluded from the UIF, other than as part of the beneficiaries of the SRD grant and the informal economy remains worse off compared to the formal economy in terms of recovering from the 2020 devastation.

## **A developmental growth path or a Neoliberal trajectory**

In the period leading to the 54<sup>th</sup> ANC Conference in 2017 at NASREC, there was a widely shared recognition across the Alliance that the current Neoliberal trajectory was reproducing and reinforcing the inherited crises levels of unemployment, poverty and inequalities; and therefore it was unsustainable. Hence, there was unanimity behind the call for a radical second phase of our revolution. But the NASREC Conference was merely reaffirming the perspective that emerged at the Mangaung Conference in 2012. Hence, the NASREC Conference proclaimed that it “reaffirms the 53<sup>rd</sup> National Conference in Mangaung characterisation on the current phase of the National Democratic Revolution as the second phase of our ongoing transition from colonialism and Apartheid to a National Democratic Society.” So, the Mangaung Conference had already adopted resolutions that were meant to drive this alternative radical socioeconomic trajectory, but such resolutions were never translated in government policies nor implemented during the fifth democratic dispensation between 2014 and 2019. Amongst others, this includes:

- The call for a flexible monetary policy regime, aligned with the objectives of the second phase of transition.
- The call for increased state ownership in strategic sectors, where deemed appropriate on the balance of evidence, and the more effective use of state-owned enterprises.
- The call for financial regulation and control, including through a state owned bank.
- The call for a well-resourced state-led industrial and trade policy.
- The call for the strengthening of the state mining company which will capture a share of mineral resource rents and equity.
- The call for expropriation without compensation on land acquired through unlawful means or used for illegal purposes having due regard to Section 25 of the Constitution.

In addition to reaffirming the Mangaung Conference resolutions, the NASREC Conference mostly strengthened previous resolutions with some additions, for instance it called for:

- Effective measures to expand the mandate of the competition authorities to de-concentrate levels of ownership.
- The Reserve Bank to be 100% state owned.
- New prescribed assets requirements
- A coherent strategy of industrial development and measures such as export taxes to compel beneficiation of raw materials
- An appropriately structured wealth tax, possibly linked to the land tax, to promote equity and raise revenues.

## The sixth democratic dispensation

As already mentioned in the foregoing, austerity was launched by the fifth democratic dispensation in 2015 by cutting the growth rate in spending in order to reduce the budget deficit and contain the public-debt. This failed because of the vicious-cycle inherent in austerity – in that it stifles economic growth which reduces revenue and in turn this increases the borrowing requirements and therefore the public-debt.

The 2019 ANC Manifesto was jointly drafted by the Alliance amidst a growing concern about the question of the size of the public-debt. But as a result of the failure of austerity to contain the public-debt between 2015 and 2019, by the end of the fifth democratic dispensation it was broadly appreciated in the Alliance that the most realistic, effective and politically sustainable approach in addressing the growing concern about the public-debt was to accelerate the economic growth rate rather than using austerity. Thus, against the backdrop of a decade of economic stagnation, aggravated triple-crises and in the year of the 25<sup>th</sup> anniversary of democracy and freedom, the ANC mobilised for victory in the 2019 general elections proclaiming the “New Dawn”, based on a platform of “a developmental growth path” which to some extent reflected the thrust of the outcomes of the NASREC Conference. This represented a definite departure from the Neoliberal trajectory and was relatively in keeping with the perspective of the second radical phase. Indeed, the manifesto resonated with the federation’s policy, the *Growth Path Towards Full Employment*, in that amongst others it put forward a commitment to:

- Rebuilding a capable and developmental state
- Addressing monopolies, excessive concentration and the growth inhibiting structure of the economic and advance an industrial plan of localisation.
- More importantly it made a commitment that: “our macroeconomic framework, including fiscal and monetary policies, will be aligned to support the commitments made in this Manifesto. The ANC believes that the South African Reserve Bank must pursue a flexible monetary policy regime, aligned with the objectives of the second phase of transition. Without sacrificing price stability, monetary policy must take into account other objectives such as employment creation and economic growth.”
- In addition, it set out clear tasks and targets for the sixth democratic dispensation to achieve by the end of its tenure:
  1. Mobilising at least about R1.2 trillion in new investment over 4 years takes place – with a target of 24 million jobs by 2030 and creating at least 275,000 jobs each year.
  2. To build the core manufacturing base around agriculture and agro-processing, mining and downstream beneficiating industries; energy and renewable energy; tourism; the ocean economy and creative industries.
  3. To catalyse diversification of sectors such as mining, forestry, manufacturing, telecommunications, transport, energy, water, agro-processing, consumer goods, pharmaceuticals, infrastructure and financial services.
  4. To establish state-owned pharmaceutical company.
  5. To reposition Eskom to play an active role in the renewable energy sector and promote public ownership in renewable energy infrastructure.

Within three months after the 2019 elections and whilst the ANC was caught up in its own raging factional bickering, the Treasury released (deliberately leaked in July 2020) a new Neoliberal economic discussion document entitled: *Economic Transformation, Inclusive Growth and Competitiveness*. The document reasserted the Neoliberal logic of austerity. Its approach to industrialisation was very weak as it narrowly focused on “modernising the network industries” and the low-wage sectors such as agriculture and tourism.

In October 2020 President Ramaphosa launched the Economic Reconstruction and Recovery Plan (ERRP) in Parliament, following consultations at NEDLAC. This plan is regarded by government as “a starting point” for a Social Compact with social partners at NEDLAC. The plan’s industrialisation strategy emphasises localisation, re-industrialisation and exports to revitalise mining and manufacturing. However, it takes the Treasury’s approach of focusing on the low-wage sectors such as tourism, hospitality, leisure, entertainment and agriculture. It also includes public employment programme on which there are no explicit budgetary commitments over the medium-term and typically it involves casualised labour where there should be permanent public service employment.

In the overall the plan represents a departure from the perspective of “a developmental growth path” and it is in line with our current long-term Neoliberal trajectory in that it is within the limits of the current medium-term fiscal framework that prioritises achieving a primary budget surplus in 2024/25 and containing the public debt below 90% of GDP.<sup>19</sup> Whilst there may be progressive aspects in the ERRP, its main weaknesses are four-fold:

1. The ERRP is an add-on or an appendage to the pre-existing Neoliberal macroeconomic policy that remains intact - in particular the fiscal framework whose medium-term parameters were already firmly set when it was adopted and were never opened up for review at NEDLAC. Actually, before the finalisation of the ERRP President Ramaphosa was agreeable to the call for at least a R1 trillion rand stimulus package, which obviously would have led to government spending in excess of the fiscal framework. Even the scale and impact of ERRP’s progressive aspects such as the industrial policy and public employment programme are limited by the fiscal envelope as determined in terms of this fiscal framework up to 2024/25. Therefore, there is no alignment between the plan and the macroeconomic policies in a manner that would support economic growth and employment creation as envisaged in the 2019 ANC Manifesto and by the NASREC Conference.
2. To “ignite” economic growth, government has placed all the hopes on the private sector in terms of the ERRP’s “structural reforms of the network industries” and investment in infrastructure. With regard to the much punted structural reforms, this means government would carry out the Neoliberal reforms that were not completed during the GEAR period by introducing legislation to deregulate and facilitate competition, for example against ESKOM in electricity, in freight rail against TRANSNET and in commuter rail against PRASA. This has already happened in aviation and telecommunication during the GEAR period and ironically it was only foreign capital that got involved in the related privatisation schemes. These measures had a devastating impact on jobs at the SAA and TELKOM. Thus, these structural reforms have dire implications for jobs in the already struggling ESKOM, TRANSNET and other entities that are going to be exposed to private sector competition.
3. With regard to the roll-out of the private sector led infrastructure programme through PPPs using the fashionable notion of “blended finance”, again this is nothing new. This 1 trillion rand over 10 years investment drive through the Infrastructure Fund is based on the de-risking of private investment in public infrastructure in order to attract the private sector. Therefore, this is a privatisation drive at the

centre of which is government taking responsibility to de-risk private investment by providing subsidies, revenue guarantees and even capital grants. Typically, they involve the following forms:

- As illustrated by the Gautrain rail-link system, which has a PPP concession - based on highly subsidised business model by government and in which revenue is
- generated from user-fees but the losses or contingent liabilities related to weak user demand are borne by the government and not its private sector partners.
- As illustrated by the Gautrain eTolls, which is based on a long-term funding and operational modality in terms of which the private sector built the infrastructure and becomes a monopoly collecting its returns through SANRAL directly from users based on the principle of user-pays.

Ultimately, experience suggest that the costs of de-risking private sector investment tend to be higher than funding infrastructure through the normal modality of borrowing and supplementing such investment through the fiscus.

4. The ERRP propounds “a ruthless focus on implementation” without outlining measures to strengthen the capability and capacity of the state. Despite the 2019 ANC Manifesto making a commitment to “Renew a Capable and Developmental State” the plan does not carry through on that mandate. Instead, in cutting departmental budget baseline, imposing moratorium on additional personnel and attacking the public service wage bill, the capacity and capability of the state is further eroded. The ERRP merely emphasises coordination at the presidential level when practical implementation would actually take place through departments and municipalities. Currently about 175 out of 275 municipalities are in financial distress and dysfunctional and yet amongst others they are supposed to carry out the public employment programme and administer local planning in the roll-out of infrastructure. Regarding the SOEs, other than deregulating electricity, rail and freight-rail, etc. no programmatic role for the SOEs is outlined. The process of turning around the SOEs must include their integral role in driving capital investment in their current operations and new infrastructure roll-out, including the crisis-ridden Land Bank which is supposed to play a key role since the ERRP prioritises agriculture and agro-processing.

## Neoliberal state

The post-Apartheid state is a product of a process of restructuring and integration of the Apartheid state and together with its Bantustans and black local authorities to comply with the prescripts of the new Constitution and to put in place the related new institutions. This took place at the height of the New Public Management internationally, which is a Neoliberal paradigm of redesigning the public service and the state as such under the current Neoliberal phase of global capitalism. Having adopted GEAR this meant that the state that was to emerge was bound to take a form of a Neoliberal state. Hence, even to this day departmental divisions continue to be turned into the stand-alone agencies, the latest of which is the Border Management Authority and moves to corporatise the TRANSNET National Ports Authority as a separated and independent entity by 2023. As a result of such reforms, we now have the former departmental divisions that have been turned into agencies and public corporations responsible for managing public utilities that resemble private sector companies. One of such characteristics are their top-heavy executive pay structures that even exceed those of the cabinet.

This fragmentation of the state is also a channel through which the private sector penetrates into the operations of the public service and the state as a whole through the outsourcing of functions and services which were previously delivered by the state. In this regard, even where there are still existing dedicated divisions with full-time personnel to perform certain functions, such as research and policy development, legal departments, human resources, etc. such functions are tendered out to consultants at extremely high costs to the state.

The drive to build a “lean state” started through the rationalisation measures of the 1990s drawn from the 1995 *White Paper on the Transformation of the Public Service* which laid the foundation for the current public service and the Neoliberal state as such. It was infused with neoliberal buzzwords such as rationalisation, rightsizing, downsizing, efficiency savings, retrenchment and contracting out of services (outsourcing). In 1995 the public service had a complement of about 1 269 141 employees on PERSAL and as a consequence of the implementation of GEAR, the PERSAL establishment shrunk to 1 030 717, a massive decline of 18.8% between 1995 and 2001. In the 1996/1997 fiscal year the public sector wage bill was 40.8% of consolidated expenditure and through the GEAR’s austerity measures it was reduced to 32.9.% by the 2008/2009 fiscal year.<sup>20</sup>

These draconian cuts were informed by an international norm or an unwritten prescript amongst Neoliberal governments and multilateral institutions such as the IMF and World Bank - that the public sector wage bill must not exceed a third of the budget. In almost every Budget Speech over the past 26 years the Treasury expressed concerns about the size of the public sector wage bill whenever it marginally exceeded this proportion. But such concerns were narrowly focused on the personnel and the wage bill pertaining to the frontline services such as policing, education, healthcare, home affairs, etc. rather than the fat-cat salaries and bloated management structures of agencies, chapter 9 institutions and SOEs.

Against this backdrop, it is therefore ironic that the South African government actually believes that it is leading a Developmental State when the features and role in the economy of the post-Apartheid state resemble a classical Neoliberal state.<sup>21</sup> Accordingly, in the 2019-2024 MTSF, government states that: ‘A Developmental State aims to meet people’s needs through interventionist, developmental, participatory public administration.’ Furthermore, it is claimed that government is ‘building an autonomous developmental state driven by the public interests and not individual or sectional interests’ and that such as a developmental state would be ‘embedded in South African society leading an active citizenry through partnerships with all sectors of society.’

This definition is obviously fraud because it does not outline the character and features of the South Africa state itself as it is – in terms of what makes it a Developmental State. This definition merely outlines the aims of the government and yet none of these aims are reflected in the actual policies and practices of the South African state, currently and since 1994. In terms of its role in the economy, there is no “interventionist, developmental, participatory public administration” when as currently government is working towards the deregulation and privatisation in infrastructure, which is a domain of public goods to which citizens are supposed to be entitled to access free at the point of use.



Some of the policies and features of the post Apartheid state that resemble a Neoliberal state rather than a Developmental State are the following:

1. The central bank, which is called the South African Reserve Bank (SARB) is supposedly autonomous and yet it is inherently compromised by being partially owned by private finance capital. In this regard, the South African central bank is an international outlier for an institution which is supposed to be a neutral regulator of the banks. Central banks are components of the public sector, which enables them to independently play their role in formulating monetary policy and their regulatory role over the banking sector. Unfortunately, our central bank has a free-hand in formulating monetary policy as it is only required to consult with the Treasury. Hence, unlike in the developmental states, our central bank is narrowly focused on protecting the value of the currency (Rand) through the policy of targeting the inflation rate. This policy is pursued dogmatically, even at the expense of the Constitutional mandate that gives the SARB the duty not only to protect the value of the currency but to do so in a manner that is 'in the interest of balanced and sustainable economic growth in the Republic'. Even in comparison to other Neoliberal states such as the Federal Reserve Bank of the USA, the SARB does not consider employment creation in carrying out its monetary policy. Whereas one of the distinguishing features of all the developmental states of South East Asia is the fact that they have consistently used macroeconomic policies, including monetary policy, to drive employment creation through industrialisation.
2. Both in policy and practice the post-Apartheid government has consistently been opposed to any intervention in the market, even to date. Instead, it consistently drove policies that encouraged deregulation, privatisation, including the privatisation of the delivery of public services through PPPs at municipal level, across all tiers, agencies and SOEs. Worst still, through the ERRP the current government now seeks to deliver public infrastructure, which are public goods, through the private sector. Thus, such a private sector driven infrastructure roll-out programme would change the infrastructure from being public goods into a commodities, in which the Neoliberal principle of "the user-pays" applies, as illustrated by the Gauteng tolls.
3. The pioneering developmental states of East Asia are not only autonomous, but are also able to discipline capital in pursuit of national objectives of socioeconomic development. By contrast, the Treasury has unleashed a rolling austerity programme – targeting the working class through multi-year wage freezes and budgetary cuts on social grants, public health, basic education, transport subsidies, etc. These cuts were made so deep so as to enable the Treasury achieve its objective of granting a tax break to big business - reducing the Corporate Income Tax from 28% to 27%. So, the claim that government is driven by "the public interests and not individual or sectional interests" is betrayed by its bias in favour of capital; whilst punishing the poor for a debt-burden caused by elite corruption and poor macroeconomic policies.

One of the key characteristic features of the successful Developmental State in South East Asia has been their capacity to engineer structural transformation of the economic base through industrialisation and land reform programmes, to upgrade their production capabilities above the semi-colonial level. This required stronger governments that are capable to embark on regulatory interventions disciplining capital to fall in line with the national priorities of creating supply-side efficiencies and competitive markets for national producers and service providers.

Unfortunately, in South Africa there has been a structural regression instead of positive structural transformation of the economic base, as the economy has been de-industrialising and the South African economy is constrained by monopolies which are allowed to impose rents without any challenge or consequences from government or the competition authorities. In fact in 2018, the Competition Commission found that the average share of dominant firms in the strategic sectors is around 62%. This means that most of the country's markets have high barriers to entry for new entrants, especially for black businesses.

So far since 1994, there has only been about 10% of land redistributed, which means that vast tracks of land is still in the hands of a tiny minority, which often speculatively keeps the bulk of this land unproductive. Therefore, in terms of our perspective on the Developmental State, integral to the role and features of such a state, must be a capacity to drive structural transformation of the economic base - to move away from the inherited semi-colonial economic base - in favour of investment in the productive capacity, in particular manufacturing.

So, the ERRP represents the rebooting of Neoliberal economic policy paradigm and the consolidation of the Neoliberal state in deregulating the infrastructure network to allow for direct participation of the private sector in what is a common good. In 2019, when the Treasury announced a new wave of austerity attacks, the public service wage bill was 35,1% of the budget and so, in line with the prevailing Neoliberal prescript it set out to cut public service wage bill by about R160.2 billion over the next three years. Accordingly, these cuts would be as follows: R37 807 billion (2020/21), R54 929 billion (2021/22) and R 67 460 billion (2022/23). Whilst these numbers appear as abstract figures on paper, behind them are the real livelihoods of the struggling public service workers, many of whom are now having to stretch every rand that they earn to take care for up to seven people, in the absence of a comprehensive social security system.

According to Statistics South Africa's Quarterly Employment Statistics (QES) publication for March 2020, there were 1 546 474 people employed in the public service at the end of December 2019. But the public sector as a whole has about 2 482 125 people on the payroll of government as at the end of December 2019. In other words, when government claims that the public service wage bill is too high relative to the budget, it is referring to the total public sector wage bill of the 2 482 125 people on its pay roll, which includes judges, parliamentarians, university staffs, traditional leaders, etc. Yet, its austerity axe is narrowly focused on cutting the means of livelihoods of the coalface and largely low-income public servants under the PSCBC. Just as during the "rationalisation" of the public service under GEAR, the elites once again expect the working class to shoulder the burden of the public debt, which has been caused by their misguided policies, mismanagement and looting.

So, clearly this is a class offensive! The coming years of the deep austerity wage freezes are not only going to be about the defence of collective bargaining and conditions of work but also about the fate of the working class, the direction of our revolution and in fact about the survival of the progressive trade union movement itself - as viable agent in defence of the workers and the working class as a whole at the time when they need it the most.

## CONCLUSIONS AND CHALLENGES

1. Government is proposing a Social Compact with social partners at NEDLAC. The relatively successful experiences of social compacts were mainly in western Europe between the World War II and the rise of Neoliberalism in the 1970s. These social compacts generally comprised agreements on shared productivity gains between employers and workers, consistent wage adjustments to inflation, social wage, etc. This was the most prosperous period of capitalism in that part of the world. In our case, from the time GEAR was imposed in 1996, there has never been any engagement on macroeconomic policies resulting in an implemented agreement between social partners from NEDLAC. The fiscal and monetary policies remain the exclusive domain of the Treasury and SARB despite the existence of NEDLAC's Public Finance and Monetary Policy Chamber. No social compact can be worth its terms if it excludes an agreement on the overarching macroeconomic policies on which other interventions in the economy significantly depend. This makes any consideration of a social compact that excludes an agreement on implementable macroeconomic policies a none-starter. Therefore, it is suggested that any social compact engagement on the suggested "trade-offs" must include macroeconomic policies and exclude labour market flexibility - as our bottom-lines.
2. The South African economy is increasingly becoming a low-wage and service oriented. In part this is a result of the fact that manufacturing has declined from 21% to 12.3% between 1994 and 2019. In the same period, the capital-intensive subsectors in manufacturing, linked to the MEC, have performed better than the labour-intensive subsectors. The South African economy requires a developmental state that has the capacity and political will to restructure the economic base away from the mineral and energy complex towards the more labour intensive and employment creating, downstream value-added activities. Therefore, beyond the sectoral master plan that the DTIC is currently working on, we must call for decisive interventions by government, amongst others:
  - Through the Competition Commission to reduce the market power of the monopolies in the production of raw materials, including AMSA's import-parity pricing of steel.
  - The Treasury to impose tax on windfalls profits related to cyclical international prices in mining to use these resources to increase support for the public institutes in research and development and financial support for downstream manufacturing companies.
  - South Africa recklessly reintegrated to the WTO in 1995, which led to the floods of imports and closure of many factories and job-losses. By 2019 imports were already more than one-third of domestic demand for total manufactured goods. It is impossible to expand the manufacturing sector without tariff protection of infant and emerging product lines. Therefore, beyond the sectoral master plans, we must call for the review of the trade regime to ensure that domestic manufacturing is protected to the maximum extent possible in terms of the WTO rules.
3. The land question is a central component of the objectives of the NDR. The ownership of arable agricultural land still reflects the historical Apartheid hierarchy as revealed in the 2017 Land Audit. Accordingly, about 72% of the farm and agricultural holdings is owned by Whites, followed by Coloureds with 15%, Indians with 5% and Africans with 4%. Output in agriculture rose over the past two years during the COVID-19 pandemic. Government planned to make available about 2 million hectares of state land in 2021, having distributed about 700 000 hectares in 2020. Black farmers contribute a mere 5%10% in agricultural output. The Land Bank is in a financial crisis and was unable to meet its debt obligations owed to the PIC in 2021. As highlighted by the Presidential Commission, the land reform process has not been

accompanied with effective forms of tenure security and adequate farmer support programmes to ensure that the newly settled farmers have access to working capital, skills training and access to markets. In the light of the financial crisis afflicting the Land Bank, we must call for the establishment of the Land Reform Fund as recommended by the report of the 2019 Advisory Panel on Land Reform and Agriculture, which must be directed at supporting the new black farmers, including cooperatives.

4. In line with government's drive to achieve a social compact between social constituencies at NEDLAC, at the level of the workplace the ANC has been promoting the idea of "worker empowerment" through share-ownership. Even at the sectoral level, this "stake-holder capitalism" is given expression in the sector master plans which are compacts between the state, business, and labour. The discussion document for the 55th ANC Conference proposes that government should introduce a policy framework "to massify share-ownership amongst workers and to provide for worker representatives sitting on the boards of companies." The 'first generation' BEE deals, which was part of the agenda of "deracialising capitalism" and to bolster the legitimacy of the Neoliberal growth path all but collapsed in the aftermath of the 1997/8 Asian financial crisis. This exposed the fictitious nature of such share-ownership schemes. Since then, despite the introduction of legislation in 2012 and BBBEE charters, black shareholding at the JSC has never been higher than 7%. The relationship between the workers and their employers at the workplace and within a sector is totally different from that of the elites in striking BEE deals. Workers are directly involved in a company across the exploitation battle-line in which on the one hand the bosses seek to extract as much profit out of the workers' labour time as possible, whilst the workers organise themselves in order to fight for a claim in the profits appropriated by the bosses as much as possible. This is an irreconcilable contradiction. Guided by our own experiences where investment arms of some unions have invested in the affiliates' own sectors or companies, we need to clarify our position on this matter, taking into account the implications of such arrangements on collective bargaining and strikes, as well as the implications of this in our struggle to improve wage levels and conditions of work.
5. The National Infrastructure Plan, which was launched in 2012 was largely led by the public sector, mainly through the SOEs. Unfortunately, in the intervening period these entities were run to the ground by mismanagement and corruption; and the state was left with a massive debt and bail-outs. As a result between 2015 and 2019, public investment by government and SOEs dropped by 22.4%. The roll-out of infrastructure is now called the Infrastructure Investment Plan which is meant to be driven by the private sector. But in reality private sector led investment in infrastructure is merely about government funding the de-risking of private investment, whereby it assumes all the risk through guarantees whilst the private sector only walk away with returns. Such infrastructure guarantees where government takes responsibility for contingent liabilities actually have even greater risk to the fiscus. In the first place, government absorbs more risk than it would if the investment was done through SOEs or fiscus. Such infrastructure projects also turn to experience escalating costs – more than anticipated – since for the private sector the risks are next to nothing. In some instances this form of funding of infrastructure involve the private sector gaining part of the ownership or equity. This then lead to the commodification of access to public goods and services through the principle of user-pays, as illustrated by the Gauteng etolls. Therefore, to the extent that Infrastructure Investment Plan further gives way to the penetration of the private sector into the public domain and that state carries the greatest risk in such investments, since the workers and the working class in general tend to suffer the worst brunt of such failure, as a federation we must actively scrutinise these projects and ensure that public finances are not misallocated.

6. Despite the narrative that South Africa suffers from low capital investment due to the lack of savings, the amendments to Regulation 28 of the Pension Fund Act, which applies to all forms of retirement savings (pension, provident, preservation funds and retirement annuities) include increasing foreign investments by pension funds from 30% to 45%. On the other hand, overall investment in infrastructure by pension funds across all asset categories would now go up to 45% domestically. COSATU and other trade unions must consider convening a conference to look into how to ensure that our savings are increasingly used in sustainable domestic infrastructure investments rather than be reallocated into economic activities in other countries.
7. One of the ways in which financialisation manifest is through the proliferation of numerous speculative financial assets (credit, shares, debt and other forms of speculative paper money) in the stock market that are detached the real productive activities in the economy in which value is created. The retirement savings are now one of the largest sources of investments at the Johannesburg Stock Exchange (JSC), at the expense of the real productive sectors and jobs. By 2019 market capitalisation at the JSC had expanded to an extent that it was valued in excess of the country's GDP, whilst fixed capital investment remains low. Through institutional investors or asset managers, our retirement savings are therefore exposed to fictitious capital markets and fluctuations in insecure and speculative cycles and bubbles of the stock market. In our fight against financialisation, we must oppose the allocation of our retirement savings into the speculative bubbles of the JSC or in other stock markets abroad. Instead, we must call for a certain prescribed proportion of our funds to be invested in the secure, government guaranteed infrastructure projects to prevent the capture of the public utilities by financial rentier capital.
8. South Africa is facing an extreme crisis of unemployment where nearly half of the workforce is unemployed. In other words, only about 14.5 million people are employed in a population of over 60 million people, in which more than two-thirds of the youth are unemployed, of which about 3.4 million between 15 and 24 years are neither in employment nor in education and training. As a result of high levels of unemployment and poverty, the majority of our people, especially the female-headed households face a crisis of social reproduction and excluded from assets to make their own livelihoods. The current amounts of all the grants are actually below the poverty line and this means that the social protection system still leaves the burden on the shoulders of those who are employed. The Presidential Employment Stimulus (PES) was launched in October 2020 as part of the ERRP.

The PES is intended to create temporary work as part of alleviating the devastation of the COVID-19 pandemic on employment and informal livelihoods. In 2022 the PES is in its second phase with about R23.5 billion already spent. According to the latest data about 857 883 work opportunities have been created against the target of 1.25 million. And so far, about 85% of the participants are youth and 63% are female. Whilst the PES is well targeted in terms of the demographics of the unemployed, its weakness is that it is a drop in the vast ocean of mass unemployment. Whilst the PES alone is not meant to address the country's unemployment crisis, there is a need for a much more aggressive public employment programme. Instead of narrowly concentrating on the mega-infrastructure programme that are often capital-intensive of the Infrastructure Investment Plan, there must also be a more labour-intensive programme on a larger scale to address housing, extension of water and sanitation, upgrade of the roads, maintenance of social infrastructure such as schools, hospitals, libraries and other amenities.

9. In the midst of the raging COVID-19 pandemic and after the rejection of a motion calling for compulsory licensing and parallel importation on the COVID-19 Vaccines by South Africa and India at the WTO in 2020 and 2021, President Ramaphosa established an Inter-Ministerial Task Team to look at the strengthening of the domestic pharmaceutical industry for the possible development of the COVID-19 vaccine. It is unclear as to whether this Inter-Ministerial Task Team continues with its work now that a deal was struck between Pfizer/BioNTech and Biovac Institute to manufacture about 100 million doses of COVID-19 vaccines a year for the African Union. However, South Africa suffers from high dependency on imported pharmaceuticals, both as patents and generics as well as the medical devices. This causes trade imbalance as almost all the Active Pharmaceutical Ingredients (APIs) used by the local producers are imported, with the vast majority coming from China and India.<sup>22</sup> Ultimately, as a country we need self-sufficiency with regard to pharmaceuticals to replace the high volume of imports of APIs, which will benefit our trade balance, provide long-term savings on the healthcare costs, industrialisation and decent jobs. The 1996 National Drug Policy called for the strengthening of the domestic pharmaceutical sector to ensure “national self-sufficiency” in the production of essential medicines. In 2007, ANC’s Polokwane Conference directed government to “explore the possibility of a state-owned pharmaceutical company that will respond to and intervene in the curbing of medicine prices”.

Subsequently, in 2012 Kettlephela Pharmaceuticals was announced as a project of the envisaged state-owned pharmaceutical manufacturer and it was to develop the capacity for the production of APIs related to the production of AIDS anti-retrovirals. In his 2015 and 2016 SONAs, President Jacob Zuma announced that Kettlephela Pharmaceuticals would supply antiretroviral medicines to the NDoH by 2017. Yet, despite this long history, Kettlephela Pharmaceuticals has to date not produced any APIs. The DTIC identified the production of the AIDS anti-retrovirals as a strategic industry in its IPAP and the 2018 Presidential Health Summit called for a competitive state pharmaceutical company to “decommodify essential medicines supply”. Kettlephela Pharmaceuticals is currently located in Pelchem, a subsidiary of NECSA. The Biovac Institute is a PPP between the South African government and the Biovac Consortium, therefore it is by no means a fully-fledged state-owned Pharmaceutical Company. However, it is clear that there is already some capacity and potential to establish one in South Africa. Political commitment is currently lacking unless there is enough pressure on government. Building a domestic and state-owned pharmaceutical company must be an integral part of the medium-term strategic framework of the DTIC and the federation must table this matter at NEDLAC for engagement in the Trade and Industry Chamber.

10. Load-shedding is now an additional barrier to higher levels of economic growth and in fact it has also become one of the primary causes of job-losses. Government’s approach in tackling this matter is narrowly driven by an ideological commitment to Neoliberal reforms in terms of its measures of deregulating generation to allow for competition and the unbundling ESKOM. Through the Independent Power Producers, private sector is struggling to fill up the current gap in electricity supply and yet government is folding its arms waiting for the private sector amidst the rolling blackouts and job-losses. Over the next five years more than 5 000 megawatts in generation capacity is going to be required. The urgency of the circumstance calls upon us to campaign for the use of pension funds to invest in ESKOM to become the dominant supplier of electricity in renewable sources.

11. The impact of the COVID-19 was the single most severe shock in the South African labour market. It is a decade now since the Taylor Commission called for a Basic Income Grant (BIG) and engagements on the comprehensive social security system started at NEDLAC. The Treasury continues to view the SRD grant as a temporary social protection measure given its commitment to the rigid parameters of the fiscal framework which do not allow any additional and permanent allocation that would increase the spending baseline. However, there seem to be support for the BIG on the part of the Department of Social Development and its ministry. COSATU was integral in the founding of the BIG Campaign and therefore we must rebuild the campaign, form partnerships with other community based organisations and ngos as part of our Jobs and Poverty Campaign to fight for the BIG.

## **PART 3 – Assessment of the 15th SACP National Congress and the ANC National Policy Conference**

### **On the SACP 15th National Congress**

The 15<sup>th</sup> National Congress of the SACP was held on the 13<sup>th</sup> – 16<sup>th</sup> July 2022 in Kempton Park. It was constituted by 400 voting members representing a total of 340 000 members of the SACP countrywide.

The Congress was held under the theme: Together, Lets Build a Powerful, Socialist Movement of the Workers and the Poor. It had about 6 Commissions, which focussed on;

1. Structural Economic and Broader Social Transformation and Development
2. Transformation of the State, Strengthening, State Capacity and Building a Capable Democratic Developmental State
3. Workplace, Building Progressive worker Organisation
4. Civic, Residential and Community Development Struggles
5. Land Redistribution, Agriculture and Integrated Human Settlements
6. Party Building, Sustainability of the Party, Constitutional Matters, Organisational Renewal of the Movement and Internationalism

Alliance partners; COSATU, the ANC and MDM components were also present and delivered messages of solidarity, as did international organisations present at the Conference. The Congress included delegates from the Young Communist League (YCL) and workers and Communist parties, as well as fraternal organisations from Africa, Latin America, Asia and other parts of the world.

COSATU input and preparations to the Congress were guided by a discussion paper titled. “The Strategic task of building a Popular Left Front to unite all progressive struggles against neo-liberalism, joblessness, poverty, GBV, crime and corruption – working class to the frontlines!”

The input was based on the two main threads of the discussion layout in the Congress Discussion document, which are the;

1. The Overall Political Thrust of the Congress Perspectives
2. The Overall Economic Thrust of the Congress Perspectives

The SACP document makes a very profound statement when it said, “After 28 years of a democratic dispensation over land and agrarian matters, an emergent bourgeois class alliance between white farmers/landowners, politicians, traditional leaders, and agricultural and mining capital in the South African land question has become glaringly visible. This is manifested in many ways, including within the hegemonic rhetoric of national food security, and land reform beneficiary selection. The capitalised writing is on the wall, and the message is clear – “land should be given only to those who can farm productively on a large scale”.”

COSATU views this as reflecting the failure of a model not based on mass democratic ownership and control of such a huge national resource as land, but its consolidation into monopolistic control and ownership, which has the effect of;

- Stifling job creation and self-sufficiency for many potential and real small land holders and or farmers, hence further disempowering the dispossessed majority
- Reinforcing current patterns of economic and landholding in the hands of a few white monopoly companies
- Increases the possibility of further foreign “absentee landlord” ownership, particularly big western landlords holding the land and not developing or investing in it for the needs of the country
- Further the subjugation of farm tenants and workers in the old apartheid style

Conclusion – The landlessness, unemployment crises and glaring inequalities and violence based on gender, racial and inaccessible opportunities, create a solid foundation for the Popular front – towards a Powerful, Socialist movement of workers and the poor. This will have the powerful effect of igniting the united response of the mass of rural, urban and other landless, unemployed, poor and retrenched or lowly paid workers and farm tenants.

On the Building of a Powerful Socialist women’s movement, COSATU based itself firmly on the outcomes of the Inaugural Gender Conference, which was well articulate on the work of confronting GBV, Femicide, Patriarchy and all forms of sexism, including at the workplace and at home, as well as in our own organisations.

Our paper also responded to the Environmental crisis with our 5 Just Transition principles, whilst on Collective Bargaining it brought clearly the perspectives of the Organising, Bargaining and Campaigns Conference Outcomes and their well laid out assertion of how to defend workers from the collective bargaining attacks by capital and the state.

The SACP paper on Fighting Patriarchy and building a Powerful Socialist movement in Southern Africa, made an assertion that, “Notwithstanding political independence in our neighbouring states, in the second half of the twentieth century, apartheid-era destabilisation and active contra wars (resulting in the deaths of one million), plus IMF-structural adjustment and neo-colonial compradorism, have deepened underdevelopment in our region. Today, much of the SADC region remains a labour reservoir for South African monopoly capital”.



COSATU noted that as a very profound point for a class analysis of the political economy of uneven and combined development, to say underdevelopment in the whole Southern African region, which opportunism fails to appreciate its historic and current trajectory and make simplistic statements that misdiagnose the real problem facing the region and as designed by the originators of the apartheid and colonial system in general.

Therefore, the discussions about migration and under-development are also tied to the architecture of both the persisting legacy of colonial and post-colonial repression, oppression, exploitation by elites, both white and black in the region. There is a collaborative efforts by elites from across the region to sustain, reproduce and perpetuate the misery of the working class, divide them by race, nation, ethnicity and gender for a good divide and rule. This helps divert attention from the fundamental crises and their causes, faced by the different ruling classes in the whole region and beyond.

In other words, the faultiness **and architecture of colonial reconfiguration in the whole SADC region is imploding under the weight of the mass struggles resisting make-shift boundaries, fixated labour recruitment schemes and pauperisation of the pre feudal classes** into the most brutalised working class in the cities in the service of monopoly white capital. The primary beneficiaries from all this mess are the monopoly capitalist and cross border criminals, not those genuinely victimised by the perpetual, yet unsustainable architecture of colonial dispossession of the original inhabitants and their means of livelihood.

On the economy, The economic policy papers which are being summarised in this policy brief are the following:

1. Industrial policy review: Turn the tide against deindustrialisation.
2. Macroeconomic policy for industrialisation and the necessity for developmental public banking in South Africa.

There are a number of areas, with specific focus on industrialisation and macro economic policy Review for public banking and the necessity for development and industrialisation in the country.

These included global or international comparative experiences, including China in these areas and how it succeeded in braking the monopolistic and anti development baking sector and macro economic policy barriers towards industrialisation.

The ultimate outcomes in the form of the Declaration reflects, in the main, the generally shared perspectives between the two organisations or axis of the left in the alliance, which are the SACP and COSATU and lays a good platform for a solid programme of social and economic transformation through a powerful socialist movement of workers and the poor.

COSATU congratulates the new General Secretary, Cde Solly Mapaila and the overwhelming majority of working class leaders in the new Central Committee, trusting that a more vigorous and clearer wayforward to socialism shall be pursued more decisively.

The SACP, ultimately confronted the issue of the State Power and how it should tactfully contest it as a critical site of power. The Declaration shall be attached to reflect in -depth pf the matter ad more other resolutions.

## 3.2 The ANC National Policy Conference

### ***ANC National Policy Conference***

The ANC national Policy Conference was held on the 29<sup>th</sup> – 31<sup>st</sup> July, 2022 at NASREC. It was held under a very tense atmosphere, following worsening internal and external developments in the ANC and the South African and global political economy situations. Internal factions in our movement, the increased levels of corruption and crime, the heightening tensions for leadership in the December National Conference of the ANC and the inability of the ANC to discharge effectively its task of improving the quality of lives of the many poor and working asses, with the result that the 2021 Local Government Elections (LGE) showed a dismal performance, being indicators of the deepening crises in the ANC and society general.

It was also held at a critical moment when ANC Staff was not being paid, a trend which had become a worrying factor for sometime now. This affects the morale of the staff, sends dangerous signals to other employers about how they can easily get away with not paying their workers and the general implications for the Collective Bargaining landscape of South Africa.

COSATU Special CEC took a decision to express firm support for the workers and to join the picket line together with NEHAWU, who organise the workers, which was done successfully, with both the NOBs of COSATU, NEHAWU, the SACP and ANC leaders coming to receive the demands of the workers and committing to do all it must, to ensure that workers are paid on time and accordingly.

While the ANC is facing many difficulties, the dangers of opportunistic and reactionary elements using the current situation for their own self serving interests is very real. This is why COSATU is careful that, in advancing workers issues, we don't fall into the trap of dancing with the hyenas, who are only drooling that their next meal is the workers themselves. The corrupt and parasitic elements, see this as the right opportunity to collapse all the state capacity instruments and those within the ANC, towards weakening the response of the state in dealing decisively with corruption and looting of state resources.

Towards that end, the President of the ANC Cde Cyril Ramaphosa officially opened the Conference, highlighting the challenges of the ANC and the state of the country, in the context of the prevailing balance of forces. The posture of the ANC was under scrutiny for various reasons, including recent allegations levelled against senior leaders of the ANC, including the President and how they impact on the image and state of the ANC, as well as its legitimacy was followed by COSATU President Zingiswa Losi, who called on the ANC to be exemplary in how they treat workers and set high standards in service delivery, performance in public office and fighting corruption and abuse of public office for self enrichment. The SACP new General Secretary Cde Solly Mapaila clearly outlined the perspectives from the recently held SACP National Congress, including the need for a State Bank to fight the predator financial parasitism led by the anti development banks in the country. He went on to call the ANC to end factionalism and divisions that threaten the whole NDR and the country in general. He also called on the ANC and the whole alliance to act in unity against elements bent on derailing the NDR and collapsing public institutions for self interest.

The Conference then went into Plenary presentations, particularly on the Balance of Power and implications for Strategy and tactics, the Constitutional amendments and Organisational Renewal, Gender Equity and the emancipation of women, as well as Combating State capture and Corruption.

Then the Conference went into Commissions around the 8 set out Commissions, which were;

1. Peace and Stability
2. Social Transformation
3. Education, Health Science and Technology
4. Culture and Heritage
5. International Relations
6. Legislature and Governance
7. Communications and the Battle of ideas
8. Economic Transformation

In the current situation, COSATU deliberately placed a higher premium on the Commission on Economic Transformation, but participated in almost all the Commissions at different scales and levels.

The elephant in the room remains, in the main, macro economic policy and the neoliberal austerity measures that strangle our development paradigm. Equally, the capacity of the state to deliver is a sum total of so many factors, including non investment in public infrastructure and corruption.

The ANC also deliberated at length on the quality of membership and proper deployment and support of cadres doing good work in various spheres of the NDR.

But, overall, the ANC National Policy Conference went well, in the circumstances and threats to collapse it. There were policy areas that demonstrated a remarkable effort to shift towards progressive orientation and that momentum should be leveraged and backed up by working class power towards a radical shift.

### **3.1 Policy Documents**

The ANC has drafted policy documents for each of the 8 commissions as well as the two plenary discussions. COSATU helped draft components of the economic policy document through the ANC's ETC.

There were some elements in the ANC who sought to use the NPC to position themselves for the ANC's elective congress in December. COSATU raised the need for NPC to focus on the real crises facing workers, society, the economy and government and not to be distracted by palace politics.

The documents were further amended during the policy conference. They do not contain any groundbreaking new proposals. In essence they are a repeat of many previous conference policy documents. The policy documents do not contain major issues that are offensive to COSATU.

The concerning part of the papers is that they are silent on the implementation of previous policy documents. They fail to reflect on what government has done since the last congress. They do not account for the real crisis in governance and state capacity or the impact these are having upon workers and society.

They do not appreciate the extent of the crises we are facing and the real chance that in the 2024 elections, the ANC may cease to be a ruling party nationally. These are the most concerning aspects of the papers.

## 1. The Changing Balance of Forces around the South African Transformation Agenda

This paper was discussed in the plenary session. Whilst it seeks to be frank and honest about the many challenges facing the ANC, it skims the surface.

It does not go into detail on the extent of ANC divisions across the organization or the collapse of Branches. It does not reflect on why the quality of public representatives has deteriorated so badly. It does not account for the impact of the deterioration of the ANC upon government and service delivery or the economy.

There is no assessment of the implementation of ANC resolutions and election manifestos by government. Scant reference is made to rising unemployment. No attention is paid to the alienation of workers, including public servants by the renegeing of the 2020 leg of the 2018 public service wage agreement.

There is no reflection upon the extent of the involvement of ANC leaders and members in the July 2021 violence or the failure of the state to hold the guilty accountable. It is silent upon the collapse of the state's ability to enforce the rule of law in many instances and wide swathes of society.

It skims past the need to conduct lifestyle audits of leaders, public representatives and senior state officials. It does not mention the commitment to hold public representatives accountable, in particular for their performance contracts.

It skips the impact of the Ukraine war on South Africa's economy and workers. There is no reference to the real impact of the migration flood into South Africa on the economy or the levels of rampant crime.

It is silent on the commitment to reconfigure the Alliance. It avoids discussing the real danger of losing the 2024 elections not only in the Western Cape, but also Gauteng, KZN, the Northern Cape and possibly nationally. It does not assess the possibility of national and provincial coalitions, can the ANC muster these, how will they impact upon its ability to govern etc.

### Key Issues COSATU Raised:

- A much deeper introspection of the impact of state capture and corruption is needed on both the ANC and government's capacity to implement ANC policies and elections manifestos.
- A frank acceptance of the extent of corruption and factionalism within the ANC and the decisive action needed to uproot it.
- An acknowledgement of the growing gap between leadership and society.
- An acknowledgement of the extent of alienation of workers, supporters and society from the ANC and the real chance that we may lose the 2024 elections.
- A sober reflection on whether and how the ANC could form a coalition nationally and in affected provinces in 2024.
- A sober reflection on the real damage that Russia's invasion of Ukraine is causing the South African economy and workers, e.g., all time high oil and fuel prices and the spill over into inflation and repo rate hikes.

## 2. ANC Organisational Renewal: Progress and Challenges

Despite being a long document, this paper says little on what is to be done to address the existential organizational crises bedeviling the ANC.

It acknowledges lumpen elements that have put the ANC in real danger of collapse but fails to acknowledge that in fact there are rampant criminals in all levels of the ANC, including its leadership. It is silent that the only way forward is for these elements to be expelled and prosecuted by law enforcement agencies.

It does not provide the direct correlation between becoming a Ward Councillor and controlling local access to resources, jobs and tenders and hence the violence surrounding the selection of Ward Councillors.

It calls for better public representatives but does not unpack how this will be done. It correctly calls for skilled public representatives but does not spell out what are these skills, what qualifications should be required, if any, and how to determine these.

It does not provide proposals for how to manage internal electoral processes in a unifying, democratic, transparent and peaceful manner.

The Nasrec Resolution requiring leaders and public representatives of the ANC to step aside once they have been charged for a criminal offence will be a source of major constestation at the National Congress in December. Whilst there was some attempts to scuttle it in the policy conference, the overwhelming majority of provinces called for its retention, strengthening and uniform implementation. Only one province called for it to be scrapped, whilst the majority called for it to be retained and strengthened. However for it to be sustained then the judicial processes must be accelerated and not subject to endless delays.

The rights of those few individuals accused of serious crimes cannot outweigh the anger of society and workers who have seen the state be run into the ground, workers sent home unpaid and retrenched, SOEs collapse because some leaders have chosen to engage in industrial corruption. The resolution should be retained at Congress, including enshrined in the ANC's Constitution. Scrapping it will send a damning message to workers that we are tolerant of corruption and criminality. This would come back to haunt us in the 2024 elections.

The paper is silent on how the organizational divisions and factions have spilled over into the state at the expense of service delivery and the need to professionalise the public service and insulate it from such interference.

It does not reflect on the dwindling non-racial character of the ANC and even the Alliance.

It does not account for the ANC's absence at times from the public policy discourse, e.g., Luthuli House has often scant knowledge of where various Bills are at Parliament, key responses of government to the economy, engagements at Nedlac on major economic matters etc.

There is no reflection on the collapse of the ANC's Youth and Women's League, COSAS and SANCO nor the marginalization of SASCO at many universities.

Not a word is mentioned about the ANC's failure to pay staff, provide annual increases, pay taxes and debts. Not a word.

The paper is silent on long standing agreements to reconfigure the Alliance.

**Key Issues COSATU Raised:**

- The need for decisive action to deal with corruption, factionalism, criminality and ill discipline in the ANC's ranks.
- The need to retain the step aside resolution for persons charged with criminal offences and for judicial proceedings to be sped up and not drag on.
- Need to determine skills sets required for public representatives and measures to hold them regularly accountable for the implementation of the ANC's election manifesto.
- Need to develop better internal elections processes that allow for democratic contestation but remove factions.
- Need to reconfigure the Alliance.
- Need to convene the committed Alliance Economic and Energy Summits.
- Need for programmes to revive the ANC YL, ANC WL, COSAS and SANCO.
- A concerted campaign to revive the ANC's non-racial character and membership.
- A sustainable financial model for the ANC and ensure that all ANC staff are paid what is due to them.

**3. Digital Communications and Battle of Ideas**

Much is said in this paper, little that is new. However, it says little on what will be done practically to turn SABC around besides saying government must subsidise it.

It says little about the role of GCIS, in particular to communicate positive achievements of government and society or to communicate how the public can access state services.

It says little on the crises affecting the Post Office, the failure to pay staff, the plans to retrench 6 000 workers or how it will be saved.

Little is said about the Post Bank, e.g., its role, how it will be financed, its target audience etc.

The paper is silent on the failure of the SITA to provide quality internet connectivity to public service institutions and the real impact this is causing on service delivery, e.g., endless queues at Home Affairs because systems are offline.

Little is said about making data more affordable. Nothing is said about making the telecommunications sector more competitive, this is more urgent now with the possible takeover of Telkom by MTN.

Vague references are made to the 4<sup>th</sup> industrial revolution, but little on how we will equip workers and the economy with the skills and resources to take benefit of it.

**Key Issues COSATU Raised:**

- The need for a clear turn around plan for the SABC.
- A turnaround plan for the SA Post Office in collaboration with the Post Bank.
- A revamped GCIS communications plan to inform the public of government progress and to help members of the public connect with relevant public services.
- A plan to ensure the SITA provides quality connectivity for public services.
- A clear plan to make data more affordable.
- Interventions to stimulate competition in the telecommunications industry/

**4. Arts, Culture and Heritage**

It is unclear why this warranted a separate commission when other more pressing items were bundled together.

Nonetheless, it is silent on the real plight facing artists and musicians normally, and more so during Covid-19 and what needs to be done to address their situations.

It makes reference to supporting museums but says nothing on how some are collapsing or seriously underfunded, e.g., Robben Island.

It says we must support tourism, but is silent on how domestic tourism is key to this sector and how local tourists simply cannot afford the exorbitant prices many tourism sites charge e.g., Table Mountain, Kruger Park etc.

It is silent on how we can help promote African languages as well as Sign Language.

**Key Issues COSATU Raised:**

- Finalisation of the Tourism and Creative Arts Master Plans, which must include ensuring domestic tourists are accommodated at affordable rates.
- Amending labour laws to include artists, musicians and other atypical workers.
- Inclusions of creative workers under the social security umbrella.
- Plans to adequately finance and sustain key museums and national and natural heritage sites.
- Enhanced inclusion of African languages and Sign Language in the basic and tertiary education curricula.

**5. In Pursuit of Progressive Internationalism in a Changing World**

This is a very long paper. When reading it, you would assume that we still are living during the Cold War. It reflects little on how changing global conditions impact on South Africa, in particular its economy. It is silent on the need to revive progressive internationalism, and how this is to be done. Instead, it is full of tired Cold War rhetoric.

It correctly calls for the AfCFTA to be supported but says nothing on how it will be implemented.

It is silent on the impact of mass migration to South Africa and how to address this crisis and its causes.

It provides no solutions on the Zimbabwe or eSwatini challenges. It provides no alternatives to the stalemates in Palestine and Western Sahara. It offers no plans to help rebuild Somalia, South Sudan or Libya.

It does not offer lessons to be learned from Cabo Delgado in Mozambique. Or how can trade be promoted with Cuba, Venezuela, Russia etc.

It is silent on the need to manage the dumping of cheap subsidized goods from China and Asia.

It is vague on the need to ensure Embassies focus more on promoting tourism and trade and less on cocktails.

It says nothing about the brain drain from Africa to South Africa, and from South Africa to the industrialised world.

**Key Issues COSATU Raised:**

- Need for a more sober and realistic assessment of South Africa's position in the global economy and a foreign policy that promotes its economic and developmental interests.
- Embassies to be geared towards the promotion of trade, investment, tourism and education opportunities.
- Promotion of trade with Cuba and other socialist, African and progressive countries to be enhanced.
- Measures to provide practical support to embattled allies, e.g., Mozambique to be developed.
- More decisive engagements and interventions to be sought in African trouble spots e.g., Zimbabwe, eSwatini, Somalia, South Sudan etc.
- Managed approach to international migration to be sought.
- AfCFTA to be supported contingent upon mechanisms to be put in place to protect local industries and jobs from illegal dumping of goods from overseas.

**6. Social Transformation**

This paper restates many previous commitments. However, it does not speak to government implementation, what resources are required or how they will be raised.

It says nothing about the chaos in SASSA and the massive drop in SRD Grant recipients from 10 million to 5 million as a consequence.

It does not indicate what is the way forward on the Green Paper on Social Security and how concerns raised will be addressed.

It skips the challenges of corruption, shoddy quality, and insufficient plot sizes affecting RDP housing. It is silent on the missing middle.

It does not speak to ensuring that persons with disability have access to education, transport and other critical public services to enable them to find work and be self-sufficient.



It is silent on the passing of the GBV Bills into law and the need to ensure that they are implemented, SAPS and other institutions trained and resourced, and society educated to ensure their implementation.

It says little on the very serious water crises affecting increasingly large parts of the nation.

It says little about ensuring adequate food security to the poor, and to protect society for food inflation resulting from the war in Ukraine, fuel price hikes and the challenges experienced at Transnet.

**Key Issues COSATU Raised:**

- Revival of the Green Paper on Social Security with a realistic financial model and time frame for it.
- A review of the existing RDP housing model to one that will empower workers with access to adequate land, materials and quality builders.
- Ensuring persons with disabilities are able to access education, transport and employment opportunities as well as public services.
- A comprehensive water plan to address water scarcity.
- Adequate training and resourcing of SAPS and government officials as well as mass public education to ensure the successful implementation of the 3 new GBV Acts.
- Urgent interventions to address the chaos at SASSA to ensure that al 10 million eligible persons receive their SRD Grants timeously.
- Increasing the SRD Grants to the Food Poverty Line and using it as a foundation for a Basic Income Grant.
- Slashing of fuel taxes and rebuilding of Transnet Freight to help cushion the economy and food from inflation.

**7. Peace and Stability**

A long paper, reminding us of previous papers. But thin on details.

Says little about the impact of the war in Ukraine on South Africa, but rather focuses on Cold War rhetoric.

Says little about what can be done to promote peace in Africa, in particular Somalia, the DRC etc. Little about what needs to be done in Zimbabwe or how we can support Mozambique in Cabo Delgado.

It is thin on the migration crises. Or the incidents of international terrorist exploiting South Africa's lax law enforcement.

It says little on how we can combat cybercrime which is increasingly a real problem in SA.

Says little on what can be done to deal with corruption, illegal mining and cable theft. Bizarrely it says nothing about the rise of gangs and construction mafias.

It skims past the July 2021 violence.

It does not touch on the need to tackle the huge amounts of firearms in society, or even the Firearms Amendment Bill that is under attack by right wing elements.

It skips past the collapse of the state law enforcement organs, and what must be done to rebuild and equip the SAPS, SANDF, courts, NPA, Correctional Services. It seems not to be aware of the role of the SSA in state capture.

It says DENEL and Armscor have a role to play but is silent on the collapse of DENEL.

It is thin on the real international security threats of climate change and water scarcity.

It says nothing about SA's fishing stock being depleted by international trawlers.

**Key Issues COSATU Raised:**

- Urgent interventions to rebuild the capacity of SAPS and the SANDF.
- Urgent interventions to adequately resource the NPA and judiciary.
- Urgent actions to address state capture and corruption in the SSA.
- Action by the NPA to hold perpetrators accountable for the July 2021 violence in KZN and Gauteng.
- Building the capacity of the SA Navy and Coast Guard to protect SA's fishing stock.
- Clear turn around plans to save DENEL and grow Armscor.
- Fast tracking the Firearms Amendment Bill and programmes to reduce the number of firearms floating in society.
- Enhancement of state capacity to deal with cybercrimes and terrorism.
- Urgent interventions to secure SA's freight and passenger rail network.
- Joint programmes to support Mozambique's efforts to bring peace to Cabo Delgado.
- Joint programmes to boost peace and conflict resolution in African hot spots.

**8. Legislature and Governance**

This paper is also thin on how we will ensure that we have quality and accountable public representatives.

It does not speak to how we will ensure that government at its various levels implements the election manifestos.

It does not spell out what constitutes a developmental state and how we will build it. Or repair the damage inflicted by state capture.

It provides no remedies for corruption and state capture.

It acknowledges that many municipalities are not financially sustainable and the need to move towards a District Development Model but says little on the road map.

It is silent upon the collapse of basic services in many municipalities or even that some of these no longer pay their workers.

It silent on the failure of SITA to provide reliable IT services critical to public service organs.

**Key Issues COSATU Raised:**

- Measures to select quality public representatives and hold them accountable for the implementation of ANC policies and elections manifestos.
- Practical proposals to address and implement the recommendations of the Zondo Commission to tackle corruption and state capture.
- Develop a practical road map to move towards the District Development Model.
- Urgent interventions to stabilize and rebuild collapsing municipalities and basic services and ensure indigent households receive their due free allocations of water and electricity.
- Interventions to ensure municipal workers are paid what is due to them.
- A clear plan to ensure the SITA provides quality connectivity to public service institutions.
- Need to insource key services within the state.

**9. Strengthening Economic Recovery and Reconstruction to Build an Inclusive Economy**

This paper captures many of COSATU's views. Fortunately, the ETC included COSATU in its development and large sections of it were drafted by COSATU. This helped to prevent offensive anti-worker proposals being included e.g., wage constraints, or gutting labour laws but also to include key COSATU demands, e.g., respecting collective bargaining, rebuilding SOEs, extending employment programmes etc.

**Key Issues COSATU Raised:**

- Further capacitating SARS to tackle the billions lost to tax and customs evasion as this will raise badly needed revenue to fund the state and public services.
- Repivoting SOEs and provided the necessary support for them and protect SOEs from privatization and collapse.
- Mobilising financial stimulus from both the public and private sectors to grow the economy.
- A just energy transition to ensure jobs and communities at risk are not left behind or lost.
- Urgent interventions to cushion worker and the economy from the massive fuel hikes.
- Extending social relief to the poor and unemployed, e.g., the SRD Grant and employment programmes.
- Increasing the Presidential Employment Stimulus to create 2 million work opportunities.
- Dealing with the mining rights backlog to grow the mining industry and create jobs.
- Ramping localization programmes by the state, companies, sectors and consumers.
- Revamping our skills regime to ensure that workers not only have the skills needed for the jobs of today but also those of the future.
- Interventions to secure freight and passenger rail.

- Modernising but not privatizing TNPA.
- Accelerating the implementation of the ERRP and in particular the Eskom Social Compact.
- Respecting and defending collective bargaining.
- Supporting key labour market institutions, e.g., the CCMA, labour courts, UIF and COIDA which help boost labour market stability.
- Prioritising legislation to address the apartheid wage gap, support worker ownership and provide for worker representation on company boards.
- Defend and increase the National Minimum Wage.
- Finalise the long promised Pension Amendment Bill to allow financially struggling public and private sector workers limited access to their pension funds.
- An accelerated urban and rural land reform programme, prioritising land for informal residents to build homes and small businesses on and support for farm workers and rural residents to establish their own farms.

## **10. Education, Health, Science and Technology**

This section says little about the education crises we face, e.g., half of grade 1s matriculating, half of matriculants not achieving exemptions, half of university students not graduating etc.

It says nothing on the basic education infrastructure backlog.

It says nothing on the chaos at NSFAS and the missing middle or what is a sustainable path to free tertiary education.

It is silent on equipping learners, students and workers for the 4IR.

It is silent on the massive problems of corruption and waste at the SETAs.

It does not speak to the need to prioritise persons with disabilities or in rural areas when it comes to education.

It fails to speak to why we continue to allow 15-year-olds to drop out of school and how this condemns them to a life of poverty.

It needs to speak to ramping up internship programmes and the Presidential Employment Stimulus to help young people find work and gain skills and experience.

It says little about how we will build the NHI once Parliament passes the NHI Bill, e.g., to address the healthcare infrastructure backlog, under resourcing and staff shortages.

It is silent on the need to move to a primary health care approach, to ensure that all of society is vaccinated for all serious diseases. It applauds the building of Aspen's Covid-19 vaccine factory but is unaware that it may shut down as demand for vaccines plummets.

**Key Issues COSATU Raised:**

- Practical timeframe to address basic education infrastructure backlog.
- Interventions to address high school dropout rates.
- Raise age when learners can leave school to 18 years and grade 12.
- Increasing internship programmes.
- Expand Presidential Employment Stimulus to accommodate 2 million young people.
- Adequate resourcing of the Dept. of Health to ensure the NHI can be achieved. Clear timeframes and a road map are needed for this beyond the NHI Bill.

**Way Forward:**

COSATU needs to spend more time engaging on the ANC's policy papers to identify additional issues that should be raised at the National Congress. These engagements should include the Party as part of building the Left Axis.

COSATU and Affiliates should develop a process to consider the criteria for leadership that it would want to see elected at the Congress, including who it may want to see elected from COSATU and Affiliates. This should be led by the CEC to ensure its an organisational position.

## ENDNOTES

- 1 In this regard, the concept of the economic structure speaks to the nature of the sectoral composition and the relative contribution of key sectors in the economy.
- 2 On the 14 June 1996, the Minister of Finance Trevor Manuel tabled GEAR in Parliament in which he stated that that the parameters of the policy were “not negotiable”.
- 3 White Paper on the Reconstruction and Development. Cape Town, 15 November 1994.
- 4 Tregenna. F. (2015). Deindustrialisation, structural change and sustainable economic growth. MERIT Working Papers 2015-032, United Nations University - Maastricht Economic and Social Research Institute on Innovation and Technology (MERIT).
- 5 Fine. B. & Rustomjee, Z. (1996). The Political Economy of South Africa; from the Mineral-Energy Complex to Industrialisation. London: Hurst and Co Publishers (Ltd).
- 6 Terreblanche, S. (2002), *A History of Inequality in South Africa: 1652 – 2002*, Pietermaritzburg: University of Natal Press. Actually, according to Terreblanche, big business was even represented in the state security apparatuses and it also lobbied for Neoliberal deregulation and privatisation in line with the rise of Neoliberalism internationally. At that stage the battle lines in the NDR were clear between the people’s camp and the enemy camp led by the Apartheid state, white monopoly capital and imperialism.
- 7 Mohamed, S. and K. Finnoff (2005), “Capital Flight from South Africa, 1980-2000” in Epstein, G. A. *Capital Flight and Capital Controls in Developing Countries*. Cheltenham: Edward Elgar Press.
- 8 For example, Anglo American and Rembrandt (Remgro) sold off the chemicals producer AECI, bottler Bevcon and the most significant engineering subsidiaries in Dorbyl, Boart Longyear, and Scaw Metals during the 2000s respectively.
- 9 Sasol is such an example of a vertically integrated corporate – dominating the entire value-chain by controlling the supply of coke as well as the refined petroleum products.
- 10 In the absence of competition, monopolies have market power in their sectors enabling them to impose prices that are above what would otherwise have been the competitive market prices, at the expense of their customers. In terms of a broader definition: “Rents include not just monopoly profits, but also subsidies and transfers organized through the political mechanism, illegal transfers organized by private mafias, short-term super-profits made by innovators before competitors imitate their innovations and so on (ibid.).” - Khan, M. (200 -0), “Introduction” in Khan M. & K.S. Jomo (eds.), *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia*, Cambridge: Cambridge University Press.
- 11 For example, the formation of BHP Billiton and SAB Miller and since then numerous other corporates followed, such as Anglo American Corporation, Old Mutual, Liberty, PQ Holdings and Datatec. <sup>12</sup> The post-Apartheid government even offered two amnesties to South Africans that illegally held money abroad as part the commitment to the deregulation of exchange controls.
- 13 Mamphiswana. R. (2022). Position the South African Economy for New Industries: Policy Lessons from East Asia. SARChI Industrial Development Working Paper Series. WP.

- <sup>14</sup> United Nations Industrial Development Organization (UNIDO) (2013). 'Sustaining employment growth: the role of manufacturing and structural change.' Industrial Development Report 2013. Vienna: UNIDO.
- <sup>15</sup> In fact, in 2020 Statistics South Africa reported that GDP per capita decreased to a level equivalent to 2005.
- <sup>16</sup> The number of unemployed people increased by more than 2.2 million in the third quarter of 2020 and by 701 000 individuals in the fourth quarter, according to Statistics South Africa.
- <sup>17</sup> The Gini coefficient is the main measure of disparities in income and consumption, with zero being perfect equality and 1 representing perfect inequality. South Africa has remained around 0.60 since 1994. World Bank, Inequality in Southern Africa. Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/099125303072236903/P1649270c02a1f06b0a3ae02e57eadd7a82>
- <sup>18</sup> Government says this year the conference secured about R332 billion in investment commitments and accordingly this brings the total commitments to about R1.14 trillion.
- <sup>19</sup> The primary budget surplus is realised when the budget balance is positive and revenue exceed spending. In this regard, the additional money derived from loans is discounted or excluded.
- <sup>20</sup> National Treasury, Budget Review 2010.
- <sup>21</sup> Ironically, the genuine developmental states of South East Asia only earned this titled after they had successfully implemented development-oriented policies and succeeded in industrialising their economies, redistributed vast tracks of land to the poor and reduced unemployment, poverty and inequalities – not before. The Active Pharmaceutical Ingredients are the raw chemical materials that actually generate the intended therapeutic effect in any medicine.







## ORGANISATIONAL REPORT

*“Our movement needs a constant renewal if it is to remain a living and developing entity ... We should take a fresh look at the assessment we have grown to and correlate not only the path we have traversed but also the road ahead with the criteria of progress and the objectives of our struggle ...”*

*“..we should not search current realities or trends for something that resembles the past. Rather, ... we should learn to study history in all its concrete aspects and diversity. This calls for scientific objectivity, for sober assessment of revolutionary traditions and for an ability to analyse in depth not only the progressive trends of social development but also its contradictions and difficulties to firmly expose and overcome negative developments and boldly dismiss outdated thought patterns.” (Michael O’Riordan – Communist Party of Ireland”*

### 1. Introduction

This report represents the work of the Federation since its last congress, the outcomes of the Collective Bargaining, Campaign and Organising conference, Central Committee and take stock of the implementation of resolutions taken, challenges as well as posing difficulties that this congress should help to resolve as a way forward.

It is important to note that union density has been declining over time globally for various reasons in the main due to the changing nature of work where workers or members of unions have been replaced by machines, lean governments, banning of trade unions or unions outlawed to engage in collective bargaining, refusal to strike, violence and killing of trade union leaders or jailing unionists for carrying union activities. These could be described as external factors, however there are many other internal factors such as lack of democracy, lack of governance or inability to adapt to the changing times.

In our case, unionisation has been consistent low just around 30 percent for over time now. While the membership figures have been consistent low, the trade union organisations are on the increase. The latest report from the Department of Employment and Labour indicates that there are 24 federations of which 5 are active; 223 trade unions and that in the last 5 years about 17 trade unions were deregistered. It is also important to recognise that while the unionisation is hovering around 30 percent over 60 percent of the workforce benefits from the union coverage and collective bargaining processes which is also a deterrent for some to join the labour movement.

This should be a great concern for COSATU. First it makes our dream of one country one federation, one union one industry a dream deferred. Why is this the case of our unionisation and the fragmentation and proliferation of the labour movement and what should be done to reverse some of these trends?

## 2. COSATU 36 years of unbroken Struggle

COSATU is founded on a concrete foundation that the majority of workers in this country subscribe to, namely on the principles of non-racialism believing that all workers regardless of race should be organised and united; the principle of worker control with an understanding that workers must control the structures and committees of the federation; the principle of paid up membership to strive for self-sufficiency and be able to take decisions without interference from funders; the principle of one industry, one union- one country, one federation, and our primary task is to unite workers across sectors; the principle of international solidarity understanding that we operate within the global capitalist system and that other workers elsewhere in the world experience similar problems of exploitation like ourselves.

COSATU is the biggest Federation in South Africa representing a membership of about 1,8 million workers of which 1,6 million is paid-up. We are mentioning this not to boast but to reflect that numbers and size in the trade union's politics count and don't lie. According to our calculations our Federation represents the majority unionised workers in our country. We measure our relevance, effectiveness, policies, and resolutions against these overarching principles. Historically COSATU represented the struggles of the workers, with the authority amongst workers, youth, parts of the middleclass and our voice has been loud on workers and societal issues.

Our proud record on various fields be it NEDLAC, International Labour Organisation, International Labour Movement, international solidarity, political level speaks for itself but there has been a recognition that there are many areas needing attention and improvement which the latter part of the report would address.

## 3. The context under which COSATU organisationally operates:

It is important to analyse the socio-economic, governance, political and international environment when assessing the performance of the Federation and Affiliates since the 13<sup>th</sup> Congress. COSATU does not operate in a vacuum but wages battles on behalf of workers in a particular context and against a variety of challenges over which it has little control. It is critical to assess how the Federation and Affiliates have adapted to these conditions, where have they done well, and where do they need to improve.

### 3.1 Socio-Economic

The period since the 13<sup>th</sup> Congress, has seen some of the most difficult challenges in living memory experienced by workers, in South Africa and across the world. Unemployment rose to an all-time high of 46%, though it subsequently decreased to 45%. South Africa remains the most unequal nation in the world with poverty levels rising. Crime continues to grow, hitting working class communities the hardest. Gender based violence continues to be a shame for the nation.

The period of 2020 to 2022 was particularly difficult as we sought to navigate uncharted waters with the outbreak of the global pandemic, Covid-19. This pandemic took the lives of more than 100 000 South Africans and possibly many more.

The economy had to be placed under a lock down to seek to minimize the spread of Covid-19 and buy time for government and society to tackle the pandemic and prepare for a new normal.

2.2 million jobs were lost over this period, though 1.5 million were subsequently recovered. Millions of workers lost wages or did not receive increases.

With the advent of the war in Ukraine, international oil prices have skyrocketed, sparking all-time highs in the fuel price. This has pushed inflation to the highest levels in 2 decades and resulted massive hikes in the repo rate by the Reserve Bank and had a serious impact on the wages of workers and their ability to take care of their families.

### 3.2 Governance

The deterioration in the economy, has been accompanied, exacerbated and at times caused by a deterioration in governance. Corruption has significantly increased across the state, SOEs and local government. Many municipalities have become dysfunctional, and an increasing number are struggling to pay their workers. Several key SOEs have collapsed and retrenched thousands of workers. Many are in ICU.

Eskom has battled to provide reliable and affordable energy. Transnet and Metro Rail have been decimated to cable theft, arson and criminality.

There have been efforts by President Ramaphosa to turn the tide and tackle corruption. The Zondo Commission shined the light on state capture. Many compromised Ministers and officials have been replaced. Increasing numbers of persons are being brought to trial for corruption, however few of the most senior accused have been brought to justice.

The authority of the state was severely exposed during the July 2021 violence in KZN and Gauteng as well as the 2022 floods in KZN.

However, despite these many challenges, the state working closely with COSATU managed to ensure that R64 billion was released from the UIF to help 5.5 million private sector workers receive relief to care for their families during the Covid-19 lockdown. Similar successes occurred in other areas of collaboration.

President Ramaphosa has presided over some of the most progressive interventions in the state in recent times, in particular the roll out of the

### 3.3 Political

At the heart of many of these challenges has become the political challenges facing the ANC internally and externally. Factions, corruption and criminality have severely weakened the movement. Yet progress has been made in enforcing the step aside resolution. Violence has continued to occur at times with the murder of Councilors.

For the first time since 1994, the ANC received less than 50% of the vote in the 2021 local elections. A significant challenge here was public servants' anger over the state's renegeing on the 2020 leg of the 2018 public service wage agreement.

If the ANC is to win and retain power in the 2024 elections, nationally and provincially, then it needs to decisively deal with corruption, rebuild the state, end load shedding, fix embattled SOEs, spur the economy and reduce unemployment.

Political fatigue has not hurt the ANC alone but also the Alliance as well as we are seen to be part of the political establishment and responsible for the political and economic pain society is experiencing.

Political coalitions have become dominant in the urban centers. Coalitions are likely to occur at a provincial, especially in Gauteng, KZN and the Northern Cape, as well as nationally. COSATU will need to prepare for this eventuality and possibly a government that does not include the ANC nationally and in major provinces.

### **3.4 International**

The international context continues to be unstable, marked by competing powers for influence and access to resources, all at the expense of developing nations and workers. There has been a rise in migration and xenophobia including in South Africa.

Working solidarity campaigns have waned as workers have been increasingly under siege in their own countries.

The war in Ukraine has been devastating. Innocent lives have been lost their, young Russian conscripts died unnecessarily, and workers across the world have seen their wages decimated to rising oil prices, inflation and rate hikes as a consequence.

Whilst workers have witnessed these setbacks, they have also seen a resurgence of progressive movements and electoral victories in Latin America.

### **3.5 Organisational**

The 13<sup>th</sup> Congress took place against the backdrop of the departure of NUMSA and FAWU from COSATU and a period of severe internal divisions and weaknesses. Their departure meant a significant loss of finances for the Federation. Many in the public discourse wrote COSATU off.

Yet against these real challenges, the Federation stabilized, rebuilt and once again is the leading voice of workers and progressive forces in the country. COSATU is seen as a key player in society and a source of solutions to its many challenges.

Many unions have now sought to join COSATU. Unions in other federations routinely request COSATU's assistance.

COSATU's finances remain stretched but are stable. COSATU has a stable staff component. Divisions have dissipated as comrades have focused on Organisational work.

Interventions were undertaken by the CEC to assist embattled Affiliates to rebuild with varying degrees of success. Some continue to need assistance.

### **3.6 Affiliates**

The Federation can only be as strong as its Affiliates. If Affiliates do not pay their fees, then COSATU will struggle to run campaigns. If Affiliates are weak in their sectors, then society will not listen to COSATU. If Affiliates are focused on infighting, then COSATU's campaigns will be still born. If Affiliates purge staff and leaders, then it diminishes their ability to participate in Nedlac and other key policy arena.

When Affiliates wage vocal strikes like NUM at Sibanye, then it shows a militant labour movement. When SACTWU wins above inflation increases for clothing workers, it shows workers why its important to join unions. When SADTU, SACTWU, NEHAWU and POPCRU lead vaccination campaigns, it shows unions are leading society to manage its challenges.

COSATU cannot be strong without strong Affiliates.

Affiliates too need a strong COSATU that can lead socio-economic struggles on behalf of their members and workers at large. Government will not listen to individual unions, but it listens to a strong, vibrant, sober and coherent Federation of over 1.5 million paid-up members.

### 3.7 Federations

Many critics had predicted the end of COSATU in the run up to the 13<sup>th</sup> National Congress. Few predict this now. Society recognise COSATU as the preeminent Federation once again.

COSATU as mandated by the 13<sup>th</sup> National Congress, has forged close working relationships with FEDUSA and NACTU at Nedlac. COSATU Affiliates work closely with unions outside of COSATU in the mining, energy, clothing, textiles, agriculture and transport sectors amongst others as well as in the public sector. This has helped tensions between unions, especially in sectors prone to violence.

### 3.8 Labour Market

Union penetration is in decline in many parts of the world. However, it has remained stable in South Africa despite serious challenges. Approximately 28% to 30% of South African workers belong to unions with 51% of these COSATU Affiliates.

Union penetration remains high in key sectors, e.g., mining, energy, clothing and textiles, local government, public service, banking, parts of the retail sector amongst others.

However, many sectors have very low levels of union penetration. This may worsen with the emergence of new economic sectors and the changing nature of work, casualization, outsourcing and e-platform workers.

If unions are to remain relevant and survive, they will need to adjust to these new realities.

Unions need to convince young workers because they need unions and to join them.

Informed by all these challenges, this report to the 14<sup>th</sup> National Congress seeks to evaluate progress made on the implementation of the 13<sup>th</sup> National Congress Resolutions in addressing some of the abovementioned challenges and its call on the working class to rise and fight for what is theirs, educate workers so that they defend not only their immediate economic demands but also the policies to save their rights. Our focus will be based on the followings 2018 Congress Pillars:

## 4. Pillar One: Organisational Building and Development:

The COSATU 13<sup>th</sup> national congress reaffirmed its belief on workers unity within the Federation, among unions and reiterated that COSATU is a home of all workers. We further resolved that the Federation has a duty and responsibility to assist unions experiencing challenges and to that extent we amended our constitution. Our constitution now describes the manner and criteria of such intervention. At the time of amending the constitution one of our big affiliates SAMWU was embroiled in internal strife and the union was almost divide into two factions which were determined to fight one another out at the detriment of the members. While this work was difficult, the CEC decision to ensure that support was given to the COSATU National Office Bearers made the task lighter. During the process of unity, there were many victims including loss of life, violence, dismissals

and lot of litigation even against the same Federation that was called to assist. At the end of the process the CEC managed to take SAMWU to its National congress where leadership was elected. We may report to this congress that since then the Union is on a recovery path including the fact that SAMWU is a COSATU union in good standing. The process which the CEC undertook in SAMWU should be replicated to all unions experiencing difficulties particularly when the division include or is led by national leadership. This congress should direct the CEC to analyse challenges facing unions and probe the common causes of these divisions and find a way of addressing them at an earlier stage.

The SAMATU is also an excellent example of cooperation with the COSATU CEC task Team. While SAMATU has a different challenge to those other COSATU unions, the union leadership never doubted the assistance they sought from the Federation. SAMATU was almost disaffiliated from COSATU, but it showed leadership, patience and courage. In its effort to normal the situation in the union it took various steps including litigation, self-imposing administration. By this congress we hope that SAMWU would gone through its national congress. SAMATU is a COSATU in good standing.

There are also a few unions facing challenges that the CEC has established a CEC task Team to intervene. While the challenges may not be the same but most of them pose a treat to destroy the unions. It should also be reported that some of the unions are under an investigation by the Registrar of the Department of Employment and Labour for non-compliance with the Labour Relations Act. What is critical with the CEC intervention is that when a union cooperates with the Task Team it makes the process smooth and could bear good results. COSATU intervention within union is not new. There are a few affiliates who are the beneficiaries of such interventions and today are health and striving and can give testimony of such interventions.

#### **4.1 Building Unity with other Federations.**

The 13<sup>th</sup> National Congress expressed the importance of COSATU building unity with other federations. In the last 4 years COSATU working with the leadership of FEDUSA and NACTU is evidenced by the cooperation at various platform for example at NEDLAC where COSATU is tasked with the responsibility of being an overall coordinator. In carrying out this duty the Federation has acted with humility and on various occasions even on areas where different positions within the federations emerged. More importantly, has been the consultation with the two federations.

The same, has been at the International Labour Organisation, where COSATU General Secretary serves as ILO Governing Body Worker Member as well as at the International Labour Conference where COSATU as the most represented organisation serves as a principal delegate. In the composition of advisers we had made sure that FEDUSA and NACTU are included in the delegation even when this is not a requirement.

At the International Trade Union Confederation (ITUC) where the COSATU General Secretary was elected as the titular Member of the General Council, it is a norm that whenever attending the Council meeting the agenda and views are shared with the Fedusa alternate member. This is not an accident but an act of conviction that the congress directed us to do. These are just examples, but they are many.

COSATU CEC had on few occasions resolved that we must work with all federations when coordinating National Day of Action of national strike. This has been even extended to SAFTU. The challenge with SAFTU has been their General Secretary 's utterances and attack to those federations in Nedlac particularly COSATU. Our stance has been that SAFTU is not our enemy as we have bigger and serious enemies in the form of capital and that their anger and wishes that COSATU die would never be realised out of their wishes. We have

attempted to avoid direct response to their provocations. On few occasions we have invited them to be part of the internal Decent Work Day including inviting them together with other Federation. This is a task that we should not get tired in pursuing. Indeed our dream of one country one federation can be realised if COSATU takes initiatives to engage other federations because cooperation and working together is the best practice working towards worker unity.

## 4.2 COSATU Membership Trends since 2015

The labour movement membership has been greatly affected by retrenchments due to the economic downturn, employers greedy to put profit before people, the impact of Covid 19 pandemic/economic lockdown.

Affiliates	Membership 2015	Membership 2018	Membership 2022
AFADWU			13 800
CEPPWAWU	84 279	48 000	47 388
CWU	21 243	13 898	10 859
DENOSA	80 647	80 647	82 023
NEHAWU	277 317	275 083	275 125
FAWU	126 995		
LIMUSA	7 771	8 195	
NUM	250 256	184 650	157 868
PAWUSA	12 619	8 637	7 014
POPCRU	156 505	157 754	147 468
SAEPU		2 103	1 929
SACCAWU	120 352	120 352	120 352
SACTWU	85 204	91 003	91 004
SADTU	248 969	251 202	258 685
SAMATU	7 821	7 229	5 149
SAMWU	150 923	148 215	161 076
SAFPU	592		
SASAWU	7 162		
SASBO	66 767	68 458	67 907
SATAWU	218 014	101 458	59 484
<b>GRAND TOTAL</b>	<b>1 923 436</b>	<b>1 566 876</b>	<b>1 507 131</b>



According to the figured above COSATU lost a membership of about 60 000 which is a huge number, and the biggest loss is with SATAWU alone, followed by NUM. while the reasons may vary but is ranging from the economic meltdown and union rivalry. There is also an irony here that the membership figures given by the Department of Employment and Labour including those reflecting in the union's record at their recent congresses sharply higher than what is submitted to COSATU. Some of the unions are open about the reasons of submitting lower figures though this distorts the size of COSATU membership. The CEC should find a way of submitting the correct figures and those of whom membership payment would be based which is an international norm.

The CEC has adopted a recruitment strategy with some targets for unions depending on the different sectors. Here below is the recruitment projection as adopted by a CEC:

### 4.3 Recruitment and Retention:

The COSATU Recruitment Strategy was developed for the Federation to meet the set target of 459,371 by 2021 to bring the federation to the 2 million membership target in 2021.

The following monthly targets were set as per the recruitment strategy.

	<b>Affiliate</b>	<b>Membership</b>	<b>National Target</b>	<b>National Target per month</b>	<b>Provincial monthly target</b>
01	AFADWU	13,000	4,000	445	50
02	CEPPWAWU	48 000	17 400	1 934	214
03	CWU	13 898	4 158	462	52
04	DENOSA	80 647	26 192	2 910	323
05	LIMUSA	8 195	2 457	273	31
06x	NEHAWU	275 083	87 508	9 724	1 080
07	NTM	50,200	21,000	2,333	259
08	NUM	167 259	53 675	5 964	663
09	PAWUSA	8 637	3 589	399	45
10	POPCRU	157 754	6 731	748	84
11	SACCAWU	120 352	42 105	4 678	519
12	SACTWU	91 003	31 300	3 478	387
13	SADTU	250 882	78 764	8 752	973
14	SAEPU	2 103	649	73	9
15	SAMA	7 697	2 807	311	35
16	SAMWU	136 700	44 010	4 890	543
17	SASBO	71 961	24 588	2 732	304
18	SATAWU	101 458	33 438	3 715	413
	<b>TOTAL</b>	<b>1 603 829</b>	<b>484 371</b>	<b>53 821</b>	<b>984</b>

Below are figures received from affiliates and Provinces on membership recruited for the period of 2020 and 2021. We will continuously add newly recruited members as we receive information.

	<b>Affiliate</b>	<b>Jan</b>	<b>Feb</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Total</b>
01	AFADWU			369										369
02	CEPPWAWU													
03	CWU			182			204							386
04	DENOSA													
05	LIMUSA					156	82							238
06	NEHAWU	1,073	1,139	704	27	67								3 010
07	NTM													
08	NUM						252							252
09	PAWUSA	54	132	0	31	12	45							274
10	POPCRU	76	199	631	246	130	212							1,494
11	SACCAWU			2865	734	287	8,485							12371
12	SACTWU				851	389	1,298							2538
13	SADTU					791	157							948
14	SAEPU						58							58
15	SAMA													
16	SAMWU													
17	SASBO	359	803	635	56	289	283							2425
18	SATAWU				1718	456	821							2995
	<b>TOTAL</b>	<b>1562</b>	<b>2273</b>	<b>1970</b>	<b>3663</b>	<b>2577</b>	<b>11897</b>							<b>27358</b>

***The total number of newly recruited members between 2020 and 2021 is 27358, this is the figure we have received from COSATU Provinces and Affiliates, but some Affiliates have not submitted their newly recruited figures as expected. We are also not sure if these newly recruited members are now paid-up members as the recent paid-up membership received from finance department reflect a decline of membership due to job losses bloodbath.***

#### **4.4 Application for New Membership**

COSATU receive application for membership almost on monthly basis. The reasons for affiliation are similar namely, wanting to be part of the family that COSATU is the home of all workers, and recognition that COSATU militancy and articulation of policies give them hope for a better workplace. While this is appreciated it poses many challenges for the Federation. First, most of the applicants are either splinter unions (various reasons); very small unions less than 10 000 members, general unions or workers trying to register a union.

The COSATU constitution anticipated such an eventuality and have created a space for new applicants to be inducted to the federation with an intention that such union would be fused or integrated to an existing COSATU affiliate. This has proven to be very difficult. Once a union has been admitted the CEC has not overseen the process of integration to its conclusion. Equally our experience with unions who are recruiting across sectors and who had been informed of the condition of admission and the principle of one union one industry, the CEC has a poor record of enforcing such a conditionality. Third, small union with less than 10 000 has a history of not growing beyond that number and tend to struggle to keep up with paying membership fees ending up defaulting and ceased to be a COSATU union.

## **LIMUSA**

The union was established by workers who could not support the approach taken by NUMSA leadership to defy the Federation's policy on one union one industry leading to the union expulsion from COSATU. These workers wanted to remain within COSATU hence they decided to form a union whose aim was to affiliate to the Federation. Establishing a union within a sector that was highly organised and with bigger size of membership proved to be difficult. This was exacerbated by lack of organisational experience, lack of funding and lack of organisational experience. After two years of existence cracks emerged among the national leadership resulting with some resigning. The union could not observe its own constitutional obligations. Many COSATU affiliates tried to assist the union, but political differences made it difficult.

The leadership of the National Union of Mineworkers and LIMUSA discussed possible merging which both unions accepted and in their respective congresses endorsed the decision. In order to facilitate a smooth transition the NUM funded the process and COSATU overseen the process of the dissolution of LIMUSA and merging process. As the process was evolving, the NUM approached COSATU with the request of extending the scope of their constitution to cover metal, engineering, rubber, tyre, auto, plastics etc. which the Registrar in the Department of Employment and Labour approved. Since then, some within the leadership of LIMUSA has now challenged their dissolution and wanting the Registrar to reverse such a decision. On the brighter side is that NUM is making inroads in the new scope and have now been admitted as a member in the Metal Industries and Engineering Bargaining Council.

## **National Transport Movement**

This union applied for membership with COSATU and showed interest of merging and uniting workers in the transport industry. The CEC in considering this application raised some reservation and its preference was that the union should merged with an existing COSATU union and that was a general union as it also organising in other sectors outside the transport sector. However, it accepted the motivation of the NOBs with the understanding to monitor the process of integration and handing over those members falling outside the transport scope. The celebration of the new union did not last long as division and leadership differences emerged leading to a situation where COSATU could no longer accept NTM as first a union in good standing and later not an affiliate at all. All efforts to engage the leadership of the union failed. Later we have been informed of the split and the newly informed splitter union has applied for affiliation to COSATU in the name that COSATU is a home of all workers.

Earlier on we reported about vulnerable workers trying either to form or register a trade union and requesting COSATU to assist forming a union or assisting with their affiliation process. Some of these workers do not fit proper the interpretation to be an employee because the employer is difficult to identify like musicians who in our own understanding are workers but in term of the law, they are not employees. These unions among others are the Trade Union of Musicians, Dynamic People's Union of South Africa, South African Taxi Drivers Workers Union etc. workers like creative and musicians and domestic workers would be hard to recruit and keep them as members in good standing at the same time they have a right to form and belong to trade union. What should we do?

## 5. Pillar Two: Back to basics campaign- building the fighting capacity of COSATU through campaigns and workplace struggles.

*“experience has taught, however, that a lot more requires to be known about organising if the product of our efforts and activities, i.e. organisation, is to be effective. And if oppressed and exploited are to achieve their end viz to take power, they must build effective organisational machinery. And to have organisational machinery there is no room for haphazard and half-hearted measurers. The task has to be tackled seriously and systematically” (Govan Mbeki)*

This is the message that emerged from our previous congress as reverberated in the minds of the delegates as adopted the above pillar of capacity building the COSATU engines. It emphasised that organisational renewal is not an event but a continuous process that every COSAU affiliates must undertaken in the various form of both ideological, political and organisational (technical) capacity building. This resolution was informed by observations.

This work has not been fully implemented or the extent we wish we could have done. Covid 19 pandemic and the lockdown for almost 2 years rendered the work of capacity building almost impossible to perform. The CEC commissions particularly the one dealing with organisation held its meeting haphazardly at times compelled by activities they had to respond to. This congress must re-emphasise the importance of these commissions and that the CEC should ensure that they do sit and carry its mandate.

Despite this, the Federation managed to carry out some important tasks among others are the national recruitment, retention and servicing workshops, building locals, listening dubbed ear-on- the ground, mass education during the election mobilisation and the national days of action. These activities and the Federation visibility has attracted workers to join our unions as there are number of cases proving our relevance of trade unionism.

The Federation and its affiliates understand the critical importance of an organisational machinery. At the centre of this understanding that for organisational sustainability there should be resources dedicated for this work both material and human resources meaning allowing people to perform some functions at the Federation level as well as at union level. The 13<sup>th</sup> National congress directed us to establish CEC commissions to deal with strategic priorities and each commission to be composed by at least one COSATU national Office Bearer, one affiliate National Office Bearer and one supporting COSATU and affiliate official according to the specialised area of work. Accordingly the CEC established the following commissions namely Organisation and Campaigns whose tasks among others is to plan, coordinate and drive campaigns of the federation and support the General Secretary in building relations with other organisations around campaigns, dealing with organisational issues like recruitment strategy, membership data, constitutional matters, scope of organisation of affiliates etc; bargaining and workplace transformation to deal and coordinate the implementation of the Federation’s overarching bargaining strategy, employment equity and transformation of Apartheid workplace, implementation of the NEDLAC accords, labour market matters, the JMC be part of this; education and gender to plan and coordinate the Federation’s trade union education programme, including ideological and political training, and it will also oversee the work of the Chris Hani Institute, DITSELA, the NGC and engaging external structures like the PWCSA and Gender Commission.

As indicate at the beginning of this report that the outcomes of the implementation of our programme and resolutions were negatively hamstrung by the covid 19 pandemic lockdown hence the rate of success is a mixed one.

## **6. Pillar Three: Heightening the Struggle against Neo-liberalism.**

The CEC on the instruction of the Congress adopted yearly programme that would highlight our opposition to the many neoliberal policies that government through Treasury has been pushing at times through the Budget speeches. The Federation has been on record from the onset of the adoption of the National Development Plan particularly the macro-economic and labour market chapters that the NDP targets would not be realised and should be rejected as they are not realistic and would not be achieved as the policy instruments in those chapters are not appropriate.

The National Congress directed the CEC to continue engaging both at the Alliance level as well as at the NEDLAC platform. We have tried our utmost best to influence the ANC to reverse these two chapters and our arguments based on evidence. Despite making progress within the alliance but the ANC deployees in government have no courage to influence or direct Treasury to comply with the ANC directive. Both our engagement at the manifestos of the general elections and local government elections, the ANC posture has been that of progressive leaning against the neoliberal agenda. However, Treasury has been adamant to pursue the neoliberal policy as seen by its position on the public sector wage bill particularly taking the 2018 wage agreement to the constitutional court.

In addition to the Alliance platform, COSATU has used the NEDLAC platform particularly the chambers and the MTBPS to influence and reverse some of the neoliberal policies. The ESKOM social compact, the masterplans and localisation are some of the signs that in a small way shows some sign of reversing this agenda. Through the national days of action, the global day of decent work, the May Day commemoration activities, the Alliance and Nedlac and sponsored articles the Federation is consistently arguing for better anti-neoliberal agenda

## **7. Pillar Four: Shaping the Battle of Ideas and asserting the hegemony of the Revolutionary Working-Class ideas making use of: Education, Organising and Media work.**

The Federation resolution of the battle of ideas through education, organising and campaign has in the main been taken through training, seminars and workshop complemented by our media and communication strategy. Below are some of the activities undertaken through the period under review:

### **Building Local Leadership**

We have to date trained more than 8000 New Shopstewards in this programme. The number could have been much higher had it not for the multitudes of repeat attendees. These account for another 4000 or so according to our records. This relatively high number (relative to other previously reported) has been due to the new Online programmes which have enabled the Federation to reach many Shopstewards at a relatively low cost. There problems associated with this programme however persist and involves amongst others:

- a. No Affiliate Basic Shop Steward Training which then demands that we need to derail by engaging in sectoral issues.
- b. No available Provincial or Local Educators in Affiliates to proceed on other identified areas of further capacitation
- c. No Affiliate Local Office Bearers Funding
- d. The fact that this LOB training course is NOT Accredited makes it not attractive to Shopstewards

- e. Poor private sector unions participation since their poor participation in the COSATU locals
- f. Poor payment of Travelling Claims by unions and the Federations also derails a lot
- g. High shop steward numbers in Limpopo, KwaZulu Natal and Mpumalanga vs lower turnout in other provinces.

We recommend that unions spend more on Basic Shop steward Training, consider employing regional or provincial Educators, invest in Online Training programmes or utilise their Head Office based Educators more in the rural provinces especially where distances matter a lot like Northern Cape, Eastern Cape and KwaZulu Natal. We also feel that more resources need to be spend on Funding Locals training or the payment of claims when the Federation conducts such in these areas. We have found the Online Programmes being more effective albeit their added gadget costs as many workers cannot afford the smart or Online enabled gadgets to engage in such programmes. With the online training we also need to not over-utilise it as it comes with the disadvantage of less human contact which is key in the mobilisation of locally based shop stewards. We therefore need to always ensure that we maintain a positive balance in that regard so that we don't lose the base level of the Federation.

### **Information on the Right to Strike and the Obligations of Employers**

We have also trained on this provision largely for Leadership and Affiliates on the new provisions of the labour law. This was to ensure of the proper understanding of the changes in the law on these areas. This also happens on the backdrop of employers drive to curtail the right to strike through various means largely the fuzzy explanations of the essential service concept. In 2020 we conducted 3 provincial sessions covering over 700 provincial shop stewards in Limpopo, Free State and Mpumalanga covering the critical area of the right to strike. This was done in conjunction with the Organising Department that led in the material development and technical training.

The Federation have also relied on the Online sessions with the Chris Hani Institute, but the overall engagement was not even above 120 participants. There is a need to much more here including our commitment to popularise the 2019 Strike demands and the propagation of our own anti-establishment narrative.

### **Training mandate of the SETA's and the impact of the Fourth Industrial Revolution**

We have had 6 workshops on this front with the Fourth IR Presidential Commission and NALEDI and only 2 directly with the Federation. These are very high-level workshops and expose the different sectoral experiences and encounters with this phenomenon. Also such workshops tend to be more for Leadership rather than plant-based shop stewards who need such engagements more dearly. We have also realised that Sector Education and Training Authorities relates differently to the union training demands on the matter. Many still regards as a pure Collective Bargaining matter whilst it talks directly to how they anticipate new technologies and plan their Sector Skills Plans to relate to such scarce or critical skills

What came quite clear from the many workshops was that only when unions negotiate and are in control of the introduction of new technologies, can they be able to save existing jobs or rather create any new ones.

Whilst many jobs are being lost with the introduction of new technology, we think that many Unions do not relate such with this new production trend. This is because also bosses are never open and transparent when they decide on production changes. These are therefore not affected into the Training plans even with

the Senior and Top Management as well. In other experiences new technologies are introduced to curb work stoppages or after strikes which make such changes difficult to fight

With the induction of the newly Affiliated Unions we have committed to embark especially for Agriculture, Arts and Transport on these workshops to get into details about the new work methods and equip our Unions on how to respond to these enforced changes.

### **Information on the Right to Strike and the Obligations of Employers**

We have also trained on this provision largely for leadership and affiliates on the new provisions of the labour law. This was to ensure of the proper understanding of the changes in the law on these areas. This also happens on the backdrop of employers drive to curtail the right to strike through various means largely the fuzzy explanations of the essential service concept. In 2020 we conducted 3 Provincial sessions covering over 700 provincial shop stewards in Limpopo, Free State and Mpumalanga covering the critical area of the right to strike. This was done in conjunction with the Organising Department that led in the material development and technical training.

We have also relied on the Online sessions with the Chris Hani Institute, but the overall engagement was not even above 120 participants. We need to much more here including our commitment to popularise the 2019 Strike demands and the propagation of our own anti-establishment narrative.

### **Training mandate of the SETA's and the impact of the Fourth Industrial Revolution**

We have had 6 workshops on this front with the Fourth IR Presidential Commission and NALEDI and only 2 directly with the Federation. These are very high-level workshops and expose the different sectoral experiences and encounters with this phenomenon. Also such workshops tend to be more for Leadership rather than Plant based Shopstewards who need such engagements more dearly. We have also realised that Sector Education and Training Authorities relate differently to the Union training demands on the matter. Many still regards as a pure Collective Bargaining matter whilst it talks directly to how they anticipate new technologies and plan their Sector Skills Plans to relate to such Scarce or Critical skills

What came quite clear from the many workshops was that only when Unions negotiate and are in control of the introduction of new technologies, can they be able to save existing jobs or rather create any new ones.

Whilst many jobs are being lost with the introduction of new technology, we think that many Unions do not relate such with this new production trend. This is because also bosses are never open and transparent when they decide on production changes. These are therefore not affected into the Training plans even with the Senior and Top Management as well. In other experiences new technologies are introduced to curb work stoppages or after strikes which make such changes difficult to fight

With the induction of the newly Affiliated Unions we have committed to embark especially for Agriculture, Arts and Transport on these workshops to get into details about the new work methods and equip our Unions on how to respond to these enforced changes.

## **The second Phase socio-economic Radical Economic Development of the National Democratic Revolution, the Reconfigured Alliance, Land Question and implementation of the Freedom Charter**

These were covered in the Political Education workshops in the form of the Socialist Forums, Political Schools and the Chris Hani Brigade. They involve largely trying to ensure that the Left understanding of these concepts in the Federation. Since many of our shop stewards come from the ANC where some varying interpretations are formulated this was to dispel all such notions. The political workshops tend to elicit high levels of participation and even input from Shopstewards wherein the major concern is around the form and shape of the Alliance, what the experiences like Metsimaholo inform us and how best we need to shape for the possible SACP contestation of state power. Whilst our recent Special Central Executive Committee has taken a firm ANC Local Government support, the recent neoliberal stance of the ANC government especially the failure to implement the 2018 Public Sector wage Agreement and its ramifications have made the facilitation of such discussions quite enormous.

Our political education philosophies have also been thwarted by the continued poor macro-economic performance. Coupled with the inherent backward views on gender, regressive views and attacks on foreign nationals, regionalism and all other capitalistic ills including the dominant conservative media views, we find that many of our shop stewards find it difficult to relate to the progressive COSATU resolutions

These we continue to strive against. We however need to be frank to this Central Committee that many of our Provinces and Affiliates either do not find time to engage thoroughly in political economic matters and therefore leave such to the conservative whims. In the main the lack of Political Schools, the poor funding of shop steward education and the continued and never-ending chase of accredited and self oriented programmes are the key reasons for this practice.

### **Transformation**

The entire labour market has been suffering a very slow pace of transformation. We have trained all Provinces in the areas of transformation. These programmes were of great assistance in the setting up of the Provincial Gender structures. As we prepared now for the 2021 Provincial Gender Conferences, we find a far better environment for transformation. However our companies and sectors have not followed suite. We still fare quite dismally on gender transformation especially insofar as the representation of women in the overall participation rates of Women and especially African and Coloured women in the labour market generally. These categories of women have an average 10% deficit between their levels in the population versus the employment active population. We also have very few Women in Top echelons of companies

When we launch such capital attacks, we are forever reminded that even the Non-Government Organisations where we reside equally fair dismally. This is despite COSATU being the only Woman led Workers Federation. This measurement is done largely at the level of the lack of Women Presidents and General Secretaries that lead Unions. We get reminded at every interval that we ourselves need to have the necessary drastic improvements. This is worsened by the failure to submit, observe and report on transformation by our Unions

The failure to effect workplace transformation stems from the fact that employment equity committees at the workplace are driven largely by bosses. These pay a lip service to transformation and rather prefer to promote White women as opposed to those from the Black groups. We need to foster changes as the legislation allows majority unions to compose such Committees only with management as opposed to the current formulation of workplace forums where the voice of the union gets easily sweetened by the other non-unionised groupings pushing their self interests



The Commission of Employment Equity have since recognised the problem of slow movement in many sectors. To that end it has now embarked on deriving sector targets that all companies in these sectors need to abide by in order to now obtain the licence to do business with the State. This has placed serious jitters in the Boardrooms of many companies who either like Mining Houses need Government licences to exist or those that have interests in the public purse for survival. The arrival at such targets has however been a very tedious and laborious process as the Department of Employment and Labour seeks to rather be accommodative to these capitalists who for the life of the legislation has dismally failed to abide by its prescripts. We need a very strong company-based voice on these matters to ensure that such jitters yield us the very good outcomes in that many nationals and Africans can not only be absorbed in the labour market but also rise in the Boardrooms and maybe we can have more fruitful engagements with such

We have recently missed out on the Department of Employment and Labour's Capacity Building initiative since in the main the Department was NOT willing to engage and pay data costs associated with the programme. Whilst we thought there would have been a few affiliates who would have afforded and benefitted we thought it was totally unfair not to pay such costs so that every shop steward could be available on the programme. We are pursuing the Department on the matter as this department has now mastered austerity starting with the CCMA which has destroyed the institution and now wants to extend it to training.

### **Free Post Schooling and the Social Dialogue**

We have also worked on the matter of the Free Post Schooling at the NEDLAC level using the social dialogue instrument. In 2019 after finalising the National Skills Development Strategy for 2020-2025 we had agreed with the Department of Higher Education and Training that next in our engagement would be the legislation and the funding mechanisms. We had long made it clear that we were gunning for a Levy increase with a cross-subsidisation of the Free Post Schooling system. This seems to have send shivers down the Departmental spine as the negotiations have been since stalled until recently with the introduction of the Skills Strategy.

With the current Treasury austerity measures, the message from government is quite confusing and not clear. There is the peddling of the economic recovery programme alongside the fiscal discipline of apex programmes needed for such a recovery like education and training. We as the Federation have opposed this. We see the levy as one of the many avenues that can ensure that capital not only enjoys the public education system products but pay for their ultimate cultivation. Other mechanisms include amongst others the centralisation of all public bursary funds under the National Financial Aid Scheme. We have also called for the increase of the funding threshold to accommodate the missing middle who are largely our public sector workers who are quite unable to fund post school education but are currently calculated out of the R300 000 odd threshold. We also have mooted the possible graduate taxation which we still need to be one with the student body

Whilst the state has over the last 7 years or so utilised skills levy as a public fund to subsidise the increasing need to fund free Post Schooling system but on the other hand, they are refusing to formally engage on such an exercise. This is because of business having taken them to Court and won the case on their failure to adequately consult on the Skills levy regulations or rather the manner of the utilisation of the skills fund. Their counter argument is that levies are being lowly utilised, and companies have a very low uptake of the related mandatory and discretionary grants.

However, the more pressing need of the current post schooling is the failure of the State to implement our decisions on no application and registration fee, a moratorium on fee increase and the scrapping of the current student debt. We then experience every year and more so on this austerity year many protests due

to the different University behaviours and the fact that academia and administrative policies are viewed as independent of the State's intervention. The irony is that these public post schooling institutions (including the private sector ones) enjoy government subsidies. Essentially institutions that rely on the State don't have to adhere to its policies

We negotiated and settled on the Skills for the Economic Recovery and the matter of Grant structure was resuscitated. We found ourselves having had to fight a government proposal that sought to grant employers more Mandatory Grant and the decrease of Discretionary Grants which we rejected in the final document. We were also faced with another Government proposal to drive the recovery through short and unaccredited courses, which we again shot down and had only short modular based courses in the end. These proposals clearly indicated a shift from the progressive stance by Government since their failure to fight and win repeated Court battles with employers on the old levy grant ratios

## **Working with Unions**

We have worked with the Unions identified before. Some of these unions have had challenges in implementing education and training programmes but some have been the advanced ones who carry high level political education programmes. We have also overseen the dissolution of LIMUSA as a Union and its incorporation into the NUM. In 2021 we inducted all our newly affiliated Unions and ensured that areas like the COSATU Constitution, Campaigns and Key Resolutions are well understood by these Unions

We have also had selected and specific programmes for SATAWU, AFADWU, SAMWU which focused in the main in the LRA, Strikes, Health, Safety and Covid 19. We still pursue the related Sector Education and Training Authorities to carry the costs of all these programmes through their Worker Education funds which in the main are not utilised properly

We have equally worked well with the other unions and federations like Solidariteit, NUMSA, NACTU and FEDUSA on matters like Worker Education, Social Dialogue and Skills Development and Artisan Development Committees.

## **8. Constitutional Structures**

### **8.1 Central Executive Committee**

This committee which comprises the top leadership of our affiliates and the National Office Bearers of the union is tasked to oversee the functioning of the Federation and the highest structure in between congresses save the Central Committee. We are reporting to this congress that the CEC has managed to meet as directed by the constitution and has carried its work as expected.

The work that the CEC managed among others was to manage the Federation during the difficult period of Covid 19 particularly how the affiliates leaders spent time on the request of the COSATU NOBs to deal with the challenges arising from the lockdown. The CEC had to take difficult decision like the release of the Unemployment Insurance Fund money to ensure that workers without an income could be able to get money to feed their families. The same difficult position was to convert the May Day commemoration in KwaZulu Natal and redirected the monies for the activities to donation to the flood victims. The CEC showed leadership when it was impossible to meet physically by agreeing to convene its CEC virtually and seeing that this was possible it proceeded to convene the Central Committee and the Collective bargaining, organising and campaign conference. Leadership was also displayed by the CEC when it was confronted by the fact that

provinces were unable to hold its provincial congresses and provincial leaders had exceeded its mandate to lead the provinces. COSATU should be proud that all the CEC meetings and all national meetings of the Federation never failed to quorate.

The work of the CEC has not been easy and smooth. During the period under review all CEC decision were taken unanimously as the spirit of compromise and unity guide the discussion. The decision like the establishment of a CEC Task Team and intervene in assist affiliates in needs are not easy but critically important. There are areas though when the CEC shied away in taking hard decision like on the area of scope encroaching which we would report on it later.

## **8.2 Central Committee**

The Central Committee ordinarily meet at least once between ordinary meetings of the National Congress and the meeting should take place in the year preceding the year in which the National congress would meet. The primary purpose of the meeting is to assess the work as directed by the previous congress as this would be a mid—term review. As indicated in early section of the report the Federation had lost two years of activities hence its assessment was informed by that.

The Central Committee made observation on a few areas but to mention a few:

- That the country and the world had experienced an unprecedented shock with the Covid -19 pandemic which had caused many deaths, illnesses and devastations of over 44 percent
  - That we were emerging from years of state capture
  - That the austerity budget policy led by Treasury had resulted in reductions in real spending
  - The second pandemic in the form of Gender Based Violence

And in responding to these some of our conclusions raised the following:

- we must accelerate the implementation of the National health Insurance
- calling the ratification of the ILO Convention 190 and ending all forms of violence.
- Condemn in the strongest term the unrest, looting and failed insurrection in the KZN and Gauteng.
- That the SOEs are critical for industrialisation and development and should never be allowed to fail.
- That we should relentlessly push for the government to urgently and proactively intervene in the economy to save jobs and move away from the current neoliberal and macroeconomic policy framework.
- Call for the finalisation of the reconfiguration of the alliance.
- Cosatu working with government and private sector to roll out vaccine programme.

### 8.3 Provincial Executive Committee

The PECs carry out the resolutions and decisions of the upper structures being the National Congress, Central Committee, Central Executive Committee and Provincial Congress. There were some changes of leadership in some of the provinces since their last provincial congresses but there was no impact on the functioning of the provinces.

The report will reflect on programmes implemented guided by COSATU 13<sup>th</sup> National Congress, 2021 Central Committee, Integrated Annual Work-plan developed in the 2021 Strategic Internal Committee (SIC) Bosberaad. It will also include a plan on how far we have gone with the implementation of resolutions taken at the Collective Bargaining, Organising and Campaigns Conference held in 2021 as well as programmes arising from decisions taken from time to time by the Central Executive Committee meetings in the period under review.

The Organising Department narrative report is inclusive of programmes and activities implemented by Organising, Campaigns, Gender Structure and Young Workers Forum.

## 9. Constitutional Amendments

The 13<sup>th</sup> National Congress made a historical change by resolving to constitutionalise the gender structures and directed the CEC to oversee the establishment of the gender structures both at provincial and national level. The launch of the provincial gender structures we had done back-to-back with the provincial congress which could not be held earlier due to covid restrictions.

The enlisted below are the elected Provincial Office Bearers and Gender Office Bearers:

Province	Name & Surname	Position/Affiliates
<b>Eastern Cape</b>		
POBs	Tabile Kunene	Chairperson
	Ntombizodwa Gqirana	Dep Chairperson
	Sithembele Mhlana	Treasure
	Mkhawuleli Maleki	Secretary
GOBs	Nomxolisi Makayi	Chairperson
	Lunga Ndulo	Dep Chairperson
	Winiswa Sonjeke	Treasure
	Siphokazi Majiza	Secretary
<b>Free State</b>		
POBs	Motsamai Masukela	Chairperson
	Thibogang Thole	Dep Chairperson
	Poloko Shopane	Treasure
	Monyatso Mahlatsi	Secretary
GOBs	Mantsopa Lekhoana	Chairperson
	Caroline Gongo	Dep Chairperson
	Mahlomola Mashoeng	Secretary

	Duncan Swarts	Dep Secretary
	Leandre De Blaar	Deputy Secretary
<b>Gauteng</b>		
POBs	Amos Vusi Monyela	Chairperson
	Thabang Sonyathi	Dep Chairperson
	Louisa Modikwe	Secretary
	Boitumelo Tholo	Treasurer
GOBs	Nomalanga Mdluli	Chairperson
	Rose Gumede	Deputy Chairperson
	Sipho Ncai	Secretary
	Lerato Sebidi	Deputy secretary
<b>KZN</b>		
POBs	Phumlani Duma	Chairperson
	Zanele Gumede	Dep Chairperson
	Londiwe Nsele	Secretary
	Edwin Mkhize	Treasurer
GOBs	Nobuhle Lekoma	Chairperson
	Nontokozo Shongwe	Dep Chairperson
	Gretta Govender	Secretary
	Mbali Blose	Dep Secretary
<b>Limpopo</b>		
POBs	Musibudi Esther Mokoete	Chairperson
	Hangwani Mashao	Dep Chairperson
	Mike Manganyi	Treasurer
	Gerald Twala	Secretary
GOBs	Thando Ndaba-Makitla	Chairperson
	Beauty Nchabeleng	Dep Chairperson
	Mosley Molepo	Secretary
	Sarah Langa	Deputy Secretary
<b>Mpumalanga</b>		
POBs	Life Monini	Chairperson
	Siybonga Hlongwane	Dep Chairperson
	Thabo Mokoena	Secretary
	Happiness Mnisi	Treasurer
GOBs	Doctor Zwane	Chairperson
	Thembi Masango	Dep Chairperson
	Nombuso Shabangu	Secretary
	Sibusiso Mahlangu	Dep Secretary

<b>Northern Cape</b>		
POBs	Jacques Cupido	Chairperson
	Senzo Mpalala	Dep Chairperson
	Orapeleng Moraladi	Secretary
	Phumla Gwebityala	Treasure
GOBs	Regina Manhe	Chairperson
	Bernadine Bostander	Dep Chairperson
	Phumzile Jack	Secretary
	Rifqa Manuel	Dep Secretary
<b>Northwest</b>		
POBs	Lekhu Mmetli	Chairperson
	Wageng Johannes Mochwaedi	Deputy chairperson
	Nancy Thipe	Treasure
	Kopano Konopi	Secretary
GOBs	Khutlang Lethena	Chairperson
	Ntshepiseng Skosana	Dep Chairperson
	Khanya Babedi	Secretary
	Mittah Mosemeng	Deputy Secretary
<b>Western Cape</b>		
POBs	Mohlatsi Tshubane	Chairperson
	Andile Ngqaneka	Dep Chairperson
	Ingrid Leukes	Treasurer
	Malvern de Bruyn	Secretary
GOBs	Nandi Andries (Resigned)	Chairperson
	John Abrahams	De Chairperson
	Sheryl Hendricks	Secretary
	Thandiswa	Dep Secretary

## 9.1 Young Workers forum

Following the congress decision to establish young workers forum, there are still few unions which are yet to establish the young workers forum. Despite this lagging behind the programme a second young workers summit was held, and new leadership was elected.

The structure held its 2<sup>nd</sup> National Summit, and the following comrades were elected:

Name and Surname	Position	Affiliate
1. Jamela Mhlari	Chairperson	NEHAWU
2. Lehlohonolo Maphatsoe	Deputy Chair	SAMWU
3. Siyabonga Mkhize	Secretary	NUM
4. Tsakane Thobela	Deputy Secretary	DENOSA
5. Semakaleng Mojaki	Treasurer	SACCAWU
<b>National Additional members</b>		
6. Sello Hlatshwayo	Additional Member	PAWUSA
7. Ziyanda None	Additional member	CWU
8. Tshepiso Matebese	Additional member	SAEPU
9. Zandile Sizane	Additional member	SADTU

**Provincial Young Workers Leadership:**

Province	Name & Surname	Position/Affiliates
<b>Eastern Cape</b>		
YWFC	Andisile Pampila	Chairperson
	Asamkele Ntaka	Dep Chairperson
	Mosuli Cwele	Secretary
	Babalwa Mahlathi	Dep Secretary
<b>Free State</b>		
YWFC	Zakhele Kotsane	Chairperson
	Kagiso Tsiane	Deputy Chairperson
	Mawethu Mati	Secretary
	Leandre De Blaar	Deputy Secretary
<b>Gauteng</b>		
YWFC	Ivan Ramogale	Chairperson
	Lethogonolo Makgamathe	Deputy Chairperson
	Tsakane Thobelo	Secretary
	Dieketseng Masoabi	Deputy secretary
	Lyndsay Hughes	Additional
<b>KZN</b>		
YWFC	Lunga Zikhali	Chairperson
	Nontando Mzobe	Dep Chairperson
	Nonkululeko Ndadane	Secretary
	Siyanda Mthimkhulu	Dep Secretary
<b>Limpopo</b>		
YWFC	Vacant	Convenor
	Titus Madamalala	Dep Convenor

	Norman Mashegoane	Coordinator
	Madida Malatjie	Dep Coordinator
<b>Mpumalanga</b>		
YWFC	Enock Mogale	Chairperson
	Sizwe Mthethwa	Dep Chairperson
	Thabang Gama	Secretary
	Bongi Masango	Dep Secretary
<b>Northern Cape</b>		
YWFC	Thabiseng Mosia	Chairperson
	Kagiso Leitshedi	Dep Chairperson
	Goitseone Berend	Provincial Secretary
	Lethogonolo Mosala	Dep Secretary
	Thato Matsididi	1 <sup>ST</sup> Additional member
	Kelvin Moss	2 <sup>ND</sup> Additional Member
<b>Northwest</b>		
YWFC	Thabo William	Chairperson
	Mimi Dikobe	Secretary
	Mlungis Radebe	Chairperson
	Mlungis Radebe	Secretary
<b>Western Cape</b>		
YWFC	Sibusiso Thwala	Chairperson
	Songezo Nompunga	Deputy Chairperson
	Fadwah Rinquest	Secretary
	Nasiphi Mngeni	Deputy Secretary

**NATIONAL GENDER OFFICE BEARERS**

<b>Name</b>	<b>Surname</b>	<b>Position</b>	<b>Union</b>
Ritta Thandeka	Msibi	Chairperson	DENOSA
Lebogang	Mafulatha	Deputy Chairperson	NUM
Emelia	Maphakela	Secretary	SACCAWU
Kgomotso	Makhupola	Deputy Secretary	NEHAWU



## 10. Human Resource and Administration

The full report is contained in the Activity report, here are just highlights.

### COSATU Offices

COSATU Headquarter is based in Braamfontein, and we also have nine Provincial Offices based in East London, Bloemfontein, Cape Town, Kimberly, Witbank, Polokwane, Braamfontein, Durban, Klerksdorp and the Parliamentary office is in Cape Town.

### COSATU Staff Complement

All the staff members of COSATU are employed on fulltime basis.

Full complement of staff nationally and provincially – 73 this number includes the vacant positions in the Federation:

Department	Secretariat Department	Vacant	Total
Secretariat	General Secretary		8
	Deputy General Secretary		
	Secretariat Coordinator		
	Personal Assistant to GS		
	Personal Assistant to DGS		
	Personal Assistant to NOBs		
	Public Sector Coordinator		
	Affiliates Support Coordinator	Vacant	
Accounts	National Accountant		4
	Deputy National Accountant		
	Provincial Accountant		
	Finance Clerk		
Administration	Head of HR and Administration		8
	Receptionist		
	Drivers x 2		
	Cleaners x 4		
	Logistic Administrator	Vacant	

Department	Secretariat Department	Vacant	Total
Communication	Spokesperson		5
	Shop-steward Editor		
	Shop-steward Manager		
	Web designer/Archivist		
	Communication Officer		
	IT Administrator	<b>Contract</b>	
Organising	Organising Secretary		4
	Campaigns Coordinator		
	Gender Coordinator		
	Administrator		
Education	Education and Training Secretary		2
	National Educator		
	Administrator (shared)		
International	International Secretary		2
	Deputy International Secretary		
Policy	Economist	<b>Vacant</b>	7
	Labour Market Coordinator		
	Trade/Industrial Coordinator		
	Health and Safety Coordinator		
	Retirement Funds Coordinator		
	Social Development Coordinator		
Parliamentary Office	Parliamentary Coordinator		5
	Deputy Parliamentary Coordinator		
	Legal Coordinator	<b>Vacant</b>	
	Research Coordinator	<b>Vacant</b>	
	Administrator		
Provincial Offices	Provincial Secretaries x 9		27
	Provincial Educator/Organisers x 9		
	Provincial Administrators x 9		

Last congress we reported to have 12 vacant positions, and, in this assessment, we are reporting to have 5 vacant positions.

The vacant positions are mainly because of some of the positions were frozen because of finances especially in Parliamentary office and the work of those positions is carried by two Comrades in the Parliamentary office assisted by the Policy Department and in Policy the position of the Senior Economist has been vacant for some time because we are struggling to attract the qualified and affordable candidates.

### Employment Equity Profile

Department	Active positions	Male	Female	Black	White	Indian	Disability
Secretariat	7	4	3	7	-	-	-
Accounts	4	2	2	4	-	-	-
HR/Admin	8	3	5	8	-	-	-
Communication	5	3	2	5	-	-	-
International	2		1	2	-	-	-
Organising	4	1	3	4	-	-	-
Education	2	2	0	2	-	-	
Policy	5	2	2	4	-	-	-
Parliament	2	2		1	1	-	-
Cleaners	3	1	3	3	-	-	-
Provinces x 9	27	16	11	26	-	-	-
<b>Total</b>	<b>69</b>	<b>36</b>	<b>32</b>	<b>67</b>	<b>1</b>	<b>-</b>	<b>-</b>

When we recruit our adverts are open to everyone, but the Federation seem to be attracting the Africans more than any other race hence the figures above on the employment equity profile.

Below is the breakdown of race and gender of top 3 levels in the Federation which are:

- Secretariat – Top Executive
- Heads of Departments – Senior Management

Secretariat	Total	Male	Female	Black	White	Indian
Secretariat	2	2	-	2	-	-
Provincial Secretaries	9	8	1	9	-	-
HODs	9	5	4	8	1	-

### National active staff by population gender

Black Males	White Males	Coloured Males	Indian Males	Total Males	Black Females	Whites Females	Coloured Females	Indian Females	Total Females	Total staff
32	1	2	0	35	28	0	0	0	28	63

## **COSATU Departments**

We have 8 Departments within the Federation, Parliamentary office and the Provinces:

1. Secretariat Department
2. Finance and Accounts
3. Human Resource and Administration
4. Media and Communication
5. International Relations
6. Organizing and Campaigns
7. Skills and Education
8. Policy Department
9. Parliamentary Office
10. Provinces

## **Staff Development**

The Federation continue to support the Staff on building and improving their career development at the same time we also encourage and support the staff members that as we develop and support them, they must also take not of the Federation's business needs.

DANLEP Advanced Certificate  
Administrators course  
Granted 19 study grants within 4 years

## **Human Resource Committee**

1. Mduduzi Mbongwe
2. Nkosana Dolopi
3. Joe Kokela
4. Andre Kriel
5. Ntombi Khumalo

## **Supporting Staff**

Khanyisile Fakude – HR  
Talelani Ramaru – Accountant

## **Staff Committee**

1. Louisa Nxumalo
2. Alfred Mafuleka
3. Lebogang Mulaisi
4. Vacant -1

## **Wellness Programme**

Life in general is difficult staff members are going through a lot in their personal life and at work. It is for that reason the Federation has the Employee wellness Programme for all staff members including their immediate families to get professional help when they need it.

## **11. Major Federation's Campaigns**

Despite the lockdown restrictions, COSATU has been visibly and very loud in carrying various campaigns. Among those it carried were the following:

### **1. Provisions of the Personnel Protective Equipment**

When the covid pandemic broke out, essential services workers were compelled to continue working and the first challenge was the provision of the PPE that were safe and suitable for the occasion, and who should be responsible for that. This was a very huge campaign which unions had to approach the labour court on this matter.

### **2. Income Replacement during the Covid**

COSATU was very instrumental in ensuring that those workers affected by the lockdown were able to receive financial assistance but neither the employers nor government was coming forward with assistance. Through engagement at NEDLAC it was agreed that UIF should come forward as a stop gap and make financial help. Indeed over R60 billion was made available covering over 5,5 million workers.

### **3. Early Retirement Withdrawal**

The UIF TERS payments were helpful but not adequate to replace the shortfall in income, and COSATU made proposals to government for an early partial retirement fund withdrawal. After a long struggle with Treasury and some business community we won this battle and now a legislation is being prepared. We need to keep fighting for this.

### **4. Defend Collective Bargaining**

The decision by government not to respect the public sector wage agreement, Resolution 1 of 2018, was regarded by the Federation as an attack and onslaught on collective bargaining not only for the public sector workers but the whole working people and it had been confronted head on. Our media campaign was successful to dispel the myth that the public sector was bloated. Even senior people in government and Ministers acknowledged that this was incorrect. The unions did all they could do till

at the Apex court regrettably workers lost the case on technicalities. However the battle should continue till workers are compensated for the lost wage increase.

## **5. International Solidarity**

This is one of our international flagships that COSATU is known of. As part of our convictions that workers all over the world have the right to freedom and liberty and COSATU as a beneficiary of international solidarity would keep fighting together with other workers of the world. For that reason we continued our solidarity with the people of Swaziland in the main. We also continued demonstrations in support of the people of Palestine and Venezuela. We also mobilised for the Cuban humanitarian aid against the criminal and unjustified American blockage on the Cuban people.

## **6. Austerity measures and CCMA Funding**

The Federation deplored the government decision to cut the CCMA funding when it was needed most. Representation was made at the Alliance level, government level to an extent that President tasked both the Minister of Employment and Labour together with the Treasury to relook at the CCMA budget and prioritise CCMA. While we received sympathy from many including the portfolio committee of labour the lukewarm attitude from Ministry of Labour was not helpful.

## **7. National and provincial elections and Local government elections**

As mandated by our congress, we participated in the drafting of the manifestos for both occasions and most of our issues were included in the Manifestos. We also participated in the list committees. We released resources particularly human resources and involved in the campaigns. While people were still keen to listen to COSATU our members voted with their feet due to their grievance on government.

## **8. Violence and Harassment**

Following the adoption of the ILO Convention 190 on the elimination of violence and harassment in the world of work, our focus was to work towards our country ratification of the Convention. It took time but our insistence and patience paid off when the parliament adopted the Convention and the instrument to implement it. This in our view would help us and equip unions to address this scourge of violence. COSATU has been vocal and visible in support those who were victims of violence. The Federation welcomed the signing of the 3 Gender Based Violence (GBV) Bills into law and the ratification of Convention 190 by South Africa. These three progressive Amendment Acts (Sexual Offences; Domestic Violence; and Criminal and Related Matters Amendment Acts) are part of a package of interventions committed to by the President in 2019. They are a step in the right direction to capacitate the state to tackle the scourge of violence affecting women, children, the elderly and persons with disabilities, in particular sexual offences. However, these important amendments to our laws will remain meaningless if government continues to reduce budgetary allocations to Legal Aid for victims, the courts, and the South African Police Service.

## **9. Elimination of Child Labour**

South Africa in partnership with the ILO held a world conference on the elimination of child labour. The irony on this is that this is a universally ratified ILO Convention 182 which requires ILO Member States to design and implement programmes of action to eliminate as matter of urgency the worst form of child labour. All members State of the ILO has ratified the Convention, but the number of child labour is now again on the increase. So COSATU once more was instrumental to the success of the conference.

## 10. National Days of Action

Due to the lockdown restrictions we could have national activities for almost 2 years, however we managed even under lock down to pull a successful Global Day on decent work. Coupled with that we managed to have successful May Day commemoration in 2022 under difficult conditions of resources. On both occasions workers were able to raise their issues sufficiently.

## 12. Collective Bargaining, Organisational and Campaigns Conference

The 13<sup>th</sup> National Congress in 2018 resolved that as *“part of heightening our living wage campaign, we will convene a collective bargaining conference in 2020 where we will seek practical and creative intervention strategy to respond to the changing global balance of forces which will include the changing nature of work, the 4<sup>th</sup> Industrial Revolution and reflect on the progress made since the 2013 national collective bargaining conference and review the victories and set-backs of our struggle for a living wage”*

The virtual conference was a success and its outcome among others were the following:

1. To launch a series of rolling protest and pickets in support of the demand that our government ratify the ILO Convention 190 – Elimination of Violence and Harassment in the World of Work”.
2. Defend and advance our collective bargaining rights, including compliance with collective agreements and the right to strike.
3. Fight relentless battle against employers who persist to challenge the constitutionality of gazetted and extension of collective agreements.
4. Ensure that the gender-pay gap is eradicated.
5. Introduce proposals for more efficient CCMA and Labour Court case management.
6. Review, strengthen and expand our collective bargaining research capacity.
7. Campaign for reform to our retirement fund landscape, to ensure that its investment decisions and access in the first instance benefit workers and the objectives of the working-class.
8. Campaign for the expansion of the social wage and the strengthening of its institutional delivery structures.
9. The Universal Basic Income Grant (BIG) must be implemented immediately as part of the social security framework.

## 13. Media and Communications

### 1. Introduction

The media and communication sectors are experiencing unprecedented change and evolution in the 21st century. We are still trying to better understand the massive changes and transformation occurring across the media and communications sector. This decade has been unique in terms of the impact of technology on the media and communication industries. The introduction of converging technologies such as the mobile “smart phone” and multiple digital platforms, the media and communication industries are not only in the process of transforming themselves but are being transformed by many external factors.

This transformation of the media and communication industries didn’t happen overnight, but it has been accelerated by several external factors like globalization, regulation, economics, and technology. Technology has both enhanced and disrupted the media economy. Innovations in technology through distribution and reception technologies continue at a rapid pace. The plethora of technological advances has forced media companies to try to keep up with one another and the digital environment has caused havoc with traditional business models.

Audience members are more empowered than at any other time in media history, they no longer just consume content -they also make content in a multitude of ways, whether through blogging, podcasting, uploading videos, or social networking to just name a few options. Traditional media firms are struggling to find a foothold in this new landscape, while fighting for economic survival. In these new media markets, consumers can access or download content anytime they want from anywhere in the world. These trends are creating havoc among traditional markets and leading to confusion as to how we define media and communication markets in this new era.

In South Africa we are seeing media houses trying to reconfigure their newsrooms and cutting down on staff members. There are few newspapers or newsrooms that keep labour desks. Labour, economy, and politics are covered by the same journalist in highly pressurised environment of a 24-hour news cycle; this means that you also have a culture of smash and grab journalism. This era of sound bites means that organisations are also tempted to outdo each other in the media for headlines and are no longer interested in explaining issues in detail. This competition for space from journalists themselves and the communicators has left the audience sometimes feeling cheated.

The media’s overreliance on advertising revenue for their survival means those who pay for adverts tend to have influence over the narrative and editorial direction of the mainstream media. But the new media, including social media has also opened opportunities for those with minima resources to remain competitive by developing their own capacities to tap into this space. The COVID-19 lockdowns have accelerated this evolution and we have spent that last four years working hard to keep pace with these changes. We have experimented and adopted new platforms that allow us to deliver our messages directly to the media. The quality of our coverage has been steady and gradually improving.

We have roped in the Federation’s offices like Parliament, International and Policy to help us expand our reach and create a pool of internal talent that supplement the work of the department and the National Office Bearers. Many of these additional comrades, as they have grown in confidence this meant that their contribution has grown exponentially.



The National Office Bearers have been the leaders and remain the face of the organization when it comes to communication. They have been accessible and flexible to carry the message of the federation even under the COVID-19 conditions. They have been instrumental in managing and helping the organization to navigate the new changes and guide communications during times of crisis.

## **2. Media Relations**

The period under review has been an accomplishment when it comes to communications. The 13<sup>th</sup> National Congress heralded a period of stability at the federation level, and this allowed the Federation to focus on contesting the space to raise workers issues and participate meaningfully in the public discourse without a burden of negative perception problems.

We spent this period recovering some of its lost ground and working to ensure maximum coverage for the federation's activities and to reposition the federation itself to rely on its internal communications tools to relay its messages. The priority has been to defend the federation from attacks, consolidate its image as an organization that represents, defends, and fights for workers and the poor people of this country.

There has been a concerted effort to raise awareness among the South Africans and the international community about the activities of the federation and its affiliated unions through the media. We created principled and great relations with media houses and media personalities. We progressed from the simple communications strategy of broad dissemination of an occasional publication or press release but endeavoured to strategically ensure that the federation is more purposeful, innovative, savvy, and less reactive in its communications practices.

We do not send out information in a unidirectional manner but engage in communication with our audience in mind. We are adjusting to the fact that our members and audiences are getting younger. This means that the federation needs to stay ahead of the technological curve if it is to ensure maximum engagement. We have expanded our social media footprint and are gradually getting the elected leadership at all levels to meaningfully participate and utilise these platforms to enhance our communications.

Affiliates have also contributed to taking the work of communications forward by this contribution is uneven because not all of them have resources to run fully functional communications departments. We have tried to utilise the Media Forum to coordinate our work with unions and to offer support where it's needed. The filling of vacancies in the Policy Unit has also given a leg up and the Parliamentary office has boosted our policy research and overall participation in the public discourse on policy matters.

The fluid political situation inside the Alliance has tested the coherence of the federation on political issues at times. We have tried to claim our independence and hold everyone accountable, while also managing tensions in the Alliance. Despite all these challenges, we have remained a solid and vocal player in the political, economic, and social life of our country. We have been unapologetic in pushing the cause of the workers and this has led to many right-wing organisations and political parties directly attacking the federation. We remain the biggest stumbling block to the Neoliberal agenda that is favoured by some inside and outside the ANC.

## Recommendations

### **a. Budgeting**

On the communications front, there is a need to establish a systematic budgeting and planning process for federation wide communications planning. We are busy developing internal communications platforms and tools, and this requires a clear criterion for measuring communications budgets, common benchmarking standards to be able to provide support to affiliates in their communications work. The IT Unit has been grossly underfunded over the years, but the ongoing ILO Revamp project will help give us a leg up, but we still need to avail more resources for the IT Unit to be able to keep with the ever-changing technological development.

### **b. Training and Capacity building**

There is a need for national programmes to upgrade communication skills for all levels of the federation and with affiliates. This will need the affiliates to harness the available resources and source for more sponsorship. There is gradual progress in this area, but more must be done.

### **c. Use of Vernacular languages**

COSATU's duty is to inform the public and membership and this includes the obligation to communicate effectively. Information about policies, programs, services, and initiatives must be clear, relevant, objective, easy to understand and useful. To ensure clarity and consistency of information, plain language and vernacular languages must be used in all communication with the public. This principle of using all languages also applies to affiliates.

## Provincial

We need an elevated co-ordination between COSATU and Affiliates operations in relation to communication matters. Provincial communications staff at a federation and affiliate level must be involved from the outset in planning and developing strategies to achieve communication objectives at the local or provincial level. This is meant to ensure that staff at all levels carry out their unique role in, and shared responsibilities for, delivering and managing the federation's communications.

There is also a need to examine ways to increase efficiency in responding to communication issues, and to adjust and simplify message approval processes as necessary. Affiliates must ensure that their provincial structures have the resources needed to effectively manage the communications function.

### **d. Internal Communications**

Engaging employees in a conversation for action allows institutions to tap into a vast pool of intelligence and expertise. Employees that are properly engaged in the life of an organization can be valuable allies in external communications – helping to inform the public, professional colleagues, and prospective members about the federation.

Managers and supervisors must communicate with employees openly, frequently, and before or at the same time as information is communicated to the public. Training in communications must be available to them to help ensure they are effective communicators.

To foster employee knowledge, awareness and understanding; internal communication includes a mix of published materials (in multiple formats), oral presentations, staff meetings and learning events. COSATU has often deployed its employees in pickets and marches and there is a need to engage managers and employees in a dialogue for action.

**e. Technological Innovation and New Media**

COSATU must maintain a capacity for innovation and stay current with developments in communications practice and technology. While adopting new means of communication, COSATU must also continue to reach, in a timely manner, members and citizens whose access to technology may be limited or who prefer to receive information through more traditional means.

**f. Internet and Electronic Communication**

The Internet, social media tools and other means of electronic communication are powerful enablers for building and sustaining effective communication within affiliates and with their members across the country. An important tool for providing information and services to the public and membership, the Internet facilitates interactive, two-way communication and feedback. It provides opportunities to reach and connect with members wherever they reside, and to deliver personalized services. COSATU must maintain an active presence on the Internet to enable 24-hour electronic access to services and information. The Federation must advance on-line initiatives aimed at expanding the reach and quality of internal and external communications, improving service delivery, connecting, and interacting with members, enhancing public access, and fostering public dialogue. Ensure that Internet-published information on policies, programs, services, and initiatives is regularly updated, accurate, easy to understand, and accessible in multiple formats for persons with disabilities.

## **14. ILO Scoping Research Update**

The challenge of scope amendment and scope encroachment which leads to poaching of members is a serious concern that need undivided attention of the Federation. Previous attempts to address this issue including the consideration of super union or cartels and mergers have not resulted to a permanent and sustainable solution. The CEC has also not been helpful in dealing with the matter. The decided to request an ILO assistance if finding ways of dealing with the matter.

The ILO Scoping Research conducted by UCT academics has make good progress and produced its Phase 1 report and recommendations to the Federation for comment, input and engagement.

They have interviewed Affiliates affected by the evolving nature of scoping in their sectors.

A dedicated workshop for CEC and COCC members took place on 18 May 2022 to go through the research and its initial findings and recommendations. This will also help the researchers as they prepare for phase 2.

The majority of NOBs, Affiliates and Provinces attended and actively participated. Constructive contributions, additions, corrections and omissions were highlighted by Affiliates for inclusion in the final Phase 1 Report draft to be submitted to COSATU and the ILO. This Phase 1 has now been concluded and Phase 2 commenced.

Phase 1's Report highlighted the history of scoping in COSATU. This included the amalgamation of unions before and in preparation for COSATU's launch in 1985. It also included instances where the Federation directed Affiliates to merge. The history of Congress resolutions on scoping, the evolution of economic sectors, the changing nature of work, the possibility of cartels and the unification of Affiliates operating in the same or similar sectors was captured.

Phase 1's Report provided insights into where COSATU Affiliates are organised, this includes changes before and after the 1994 democratic breakthrough and how this has impacted on the membership of COSATU. Trends in union membership through the economy are captured and compared to international trends.

The Report provides a break down of COSATU's Affiliates presences in bargaining councils and SETAs and indicates where we are not represented. More detailed analyses on the reasons for these is needed, e.g. is the bargaining council dysfunctional or does the Affiliate lack membership etc?

The Report provides different recommendations on what should be done to address scoping and demarcation matters, be it from a jurisdictional dispute or the need to strengthen the organisation and representation. This need further engaging by the CEC and Affiliates. They will be further unpacked in Phase 2's Report.

Phase 2 will include in depth research on a smaller group of Affiliates most heavily affected by scoping in both the public and private sectors. It is intended for this to be completed by the end of 2022.

This will enable final recommendations to be tabled at the August CEC and National Congress for debate and decision.

It is critical that Affiliates who are requested to engage with the researchers avail themselves. It is important for Affiliates to read, discuss and provide comments on the research and recommendations.

Phase 1 is a comprehensive paper that captures the evolution of scoping in COSATU Affiliates, the various congress decisions, which Affiliates amended their scoping and when, and which SETAs and Bargaining Councils Affiliates are represented in and which they are not.

It looks at various options for COSATU and Affiliates on scoping and their pros and cons. In terms of the way forward, the following are recommended to the NOBs for approval:

- COSATU and Affiliates are asked to engage on and make comments on the drafts as they become available. These inputs can then be incorporated, where relevant, into the final report.
- A COCC meeting was convened for the researchers to present the Phase 1 paper and engage with Affiliates.
- A special workshop was convened for CEC members to engage on the paper. This included a presentation by the researchers. Given the sensitive nature of the discussion.
- COSATU has finalised arrangements for the second phase of the research to commence. The second phase will include a more in-depth examination of the evolution of scoping in a select few Affiliates and more detailed recommendations on a way forward. Progress on it should be a standing item for the CEC with a draft report and recommendations to be submitted to the August CEC and September Congress.





# COSATU 14th National Congress

## 26 – 29 September 2022

# Programme

### First day, 26<sup>th</sup> September 2022

Chairperson: First Deputy President Comrade Mike Shingange

10:00	1. Opening and Welcome
10:05 – 10h25	2. Choir singing Inkosi Sikelel’ I Afrika, Internationale and Solidarity Forever
10h25 – 10h30	3. Health and Safety Procedure
10h30 – 10h40	4. Presentation of the Credentials Report
10h40 – 10h50	5. Confirmation of the Congress Agenda
10h50 – 11h00	6. Adoption of the Congress Rules
11h00 – 11h10	7. Confirmation of the Minutes of the 13 National Congress
11h10 – 11h20	8. National Congress Roll call
11h20 – 12h15	9. Opening Address by Cosatu President Zingiswa Losi
12h15 – 12h20	10. Acknowledgement of Guests
12h20 -12h40	11. Process report on the election of the new Cosatu National Office Bearers
12h40 – 13h25	12. Address by the ANC
<b>13h25 – 14h45</b>	<b>LUNCH</b>
14h45 – 15h45	13. Presentation of the Political Report
15h45 – 16h00	14. Message of support by ITUC
16h00 – 19h00	15. Debate on the political report and the affiliates political resolutions
19H00	16. Congress adjourns

### Second Day, 27<sup>th</sup> September 2022

Chairperson: President Comrade Zingiswa Losi

09h00 – 09h25	1. Address by the SACP
09h25 – 10h25	2. Debate on the political report and Affiliates political resolutions continues
10h25 – 11h25	3. Presentation of the organisational report
11h25 – 12h00	4. Presentation of the Financial report
12h00 – 13h00	5. Debate and discussion on the organisational and financial report and affiliates resolutions on organisational
<b>13h00 – 14h30</b>	<b>LUNCH</b>
14h30 – 18h30	6. Debate on the organisational and financial reports and affiliates resolutions continues till 18h30
18h30	7. Congress adjourns

### Third Day, 28<sup>th</sup> September 2022

Chairperson Second Deputy President Comrade Louisa Thipe

09h00 – 09h20	1. Message of support from the WFTU
09h20 – 10h40	2. Presentation of the socio –economic report
10h40 – 13h00	3. Debate on the socio economic report and affiliates resolutions on socio economic
<b>13h00 – 14h30</b>	<b>LUNCH</b>
14h45 – 15h45	4. Debate on the socio –economic report and affiliates resolutions continue
15h45 – 16h45	5. Presentation of the International report
16h45 – 19h00	6. Debate on the international report and affiliates resolutions
19h00	7. Congress adjourns
	<b>Supper and Cultural evening till 21h00</b>

### Fourth Day, 29<sup>th</sup> September 2022

Chairperson: First Deputy President Comrade Mike Shingange

09h00 – 09h30	1. Message of support from OATUU/ITUC Africa
09h30 – 10h00	2. Adoption of the Secretariat report
10h30 – 11h00	3. Announcement of the NOBS elections results
11h00 – 11h30	4. Presentation of the Congress Declaration
11h30 – 12h15	5. Closing remarks by the new Cosatu President

Head Office

COSATU House, 110 Jorissen Street , Corner Simmonds Street, Johannesburg • P O Box 1019 Johannesburg 2000 • Tel: 011 339 4911