

**Closing Remarks by the ANC President, Comrade Cyril Ramaphosa to the ANC  
NEC Lekgotla, 2 and 5 October 2020**

**Virtual meeting**

Deputy President David Mabuza,  
National Chairperson Gwede Mantashe,  
Officials of the ANC,  
Members of the NEC,  
Leadership of the Alliance partners  
Leadership of the ANCWL, ANCYL and ANCVL,  
Leadership of MKMVA and SASCO, leadership of the MK Military Council  
Ministers and Deputy Ministers,  
Metro Mayors and leaders of SALGA,  
Deployed Cadres,  
Comrades and Friends,

We were also blessed by having former Presidents Thabo Mbeki and Kgalema Motlanthe participating in the Lekgotla, and this has been very beneficial to our discussions.

This is the first ever virtual lekgotla, as the Lekgotla took place in the midst of an unprecedented social and economic crisis caused by the global coronavirus pandemic.

South Africa had to take drastic measures early to slow the spread of the disease and prepare our health system for the inevitable surge in infections. Had we not done so, the loss of life and consequences for the economy could have been even more severe.

A number of countries continue to experience high numbers of daily infections and several countries are experiencing an upsurge in infections, after an initial decline,

and renewed lockdown measures. We must ensure that South Africa, having worked hard to largely avoid a catastrophe, does not experience such a second wave.

We reiterate that COVID-19 is still with us, there is currently no vaccine and we must adhere to the known public health measures of maintaining social distance, washing our hands and wearing masks.

South Africans are called upon to remain vigilant and protect themselves and those around them.

The South African economy was already in a precarious state prior to this pandemic. – with low growth, and rising poverty and unemployment. This situation has been made much worse due of the impact of the coronavirus pandemic. We now need to take decisive steps to rebuild and transform our economy.

The pandemic also starkly exposed the deep levels of poverty, hunger and deprivation that continue to exist in our society. Whilst our social and other interventions succeeded in providing emergency relief, the challenge now is to fundamentally restructure our society and economy so that our society becomes more equitable and just.

We emerge from this NEC Lekgotla firmly resolved that the new economic strategy must focus on both recovering from the damage caused by the pandemic and fundamentally and radically restructuring the economy to become more inclusive. It is our commitment as all South Africans, to tackle underdevelopment, poverty, unemployment and inequality, which Covid-19 has so starkly exposed.

It is imperative that the strategy be accompanied by clear timeframes and monitoring mechanisms to ensure effective implementation.

The ANC and government are committed to mobilise society behind the economic reconstruction, growth and transformation plan – the broad framework of which has emerged from interactions at NEDLAC. Such a plan can only be implemented, and have the desired outcomes, if all sections of society are mobilised to play their role in

its implementation and monitoring. Now is the time for active citizenship to make this work!

In the second quarter of 2020, our economy recorded a staggering contraction and more than 2 million jobs were lost. During this time, the unemployed fell off the statistical radar, as they were not able to search for work and became classified as *not economically active*.

What this alarming statistic reveals is there are too many of our fellow citizens who are without work, who cannot provide for their families and whose energies are lost to the economy. Too many of our compatriots are going hungry and we need to develop innovative and agile strategies that respond to the real challenges faced by the people.

The Lekgotla confirmed that South Africa's recovery and reconstruction plan needs to focus on a few priority areas that will catalyse growth, protect businesses and create jobs.

To both preserve existing jobs and create new ones, the nation needs to build an overarching social compact that focuses on how we live together, how we become a more cohesive society and how we address our deep structural challenges of unemployment, poverty and inequality.

The NEC Lekgotla re-affirmed that South Africa's reconstruction and recovery plan will be an infrastructure-led strategy, with investments in energy; water and sanitation; public transport, roads and bridges; human settlements, health and education; digital infrastructure and public transport.

The path and speed of economic recovery will depend on many different factors, and the Lekgotla developed criteria and timelines to guide government's actions in the following areas:

- Strengthening energy security
- Localisation through industrialisation: a thriving local industrial base

- Strengthening food security
- Infrastructure investment and delivery that meets the NDP Goals
- Support for tourism
- Green economy interventions
- Public employment programmes
- Gender equality and economic inclusion of women and youth
- Macro-economic policy interventions

In approaching these eight key economic focus areas the ANC supports a phased approach to our economic recovery.

This first phase focused on saving lives and included a massive health care response.

The second phase focused on saving livelihoods and included support for households and firms. Amongst the measures has been fiscal reprioritisation to fund temporary increases in social grants, a special grant to relieve distress and special payments from the Unemployment Insurance Fund.

In the third phase we are going to implement a programme of Reconstruction and Recovery. The ANC will guide the work of government, working with the social partners to generate higher rates of economic growth, investment and job creation. Our aim is to radically transform our society to make it truly non-racial, non-sexist and economically more inclusive.

Our Reconstruction and Recovery will be infrastructure-led. Key initiatives in this phase are energy sector reform and energy security, and large-scale infrastructure investment in water and sanitation; rail, ports, roads and bridges; human settlements, health and education and skills development; digital infrastructure and public transport. This programme will be inclusive as it will focus on local employment and will seek to overcome patterns of economic marginalisation as it transforms the structure of the economy. The programme will be inclusive as it will recognise the role that SMMEs and co-operatives can play in creating work, particularly for youth and

those who are entering into the labour market for the first time across all economic sectors.

To achieve significant job creation multipliers, the emphasis will be on localisation, including maximising the use of South African materials and construction companies as well as labour-intensive methods.

South Africa's 'green' and 'blue' economies must be developed in order to stimulate investment growth and jobs creation. This must include cleaning our cities and towns in order to harness the potential of recycling, waste management and the circular economy.

The auction of telecommunications spectrum must be undertaken urgently and it should be designed in order to a manner that ensures that space is created for new black players as well as the big telecoms companies.

It will be an imperative for sustained Reconstruction and Recovery that South Africa brings its rising national debt under control and stabilises public finances.

To stabilise public finances the budget deficit must be reduced, borrowing costs must be managed and there must be pro-growth reforms, such as large-scale off-budget investment in the energy sector and a continuation of pro-investment reforms in a range of productive sectors including telecommunications, mining, agriculture, manufacturing and tourism.

State capacity must be strengthened, among others, to accelerate infrastructure investments; and project management skills are required in the public sector to improve project specification and design.

Alternative funding models are required including PPP's, and build operate and transfer models, to mobilise private sector resources and financing for infrastructure should be made more certain and attractive for pension fund trustees.

Consideration should also be given to establishing Project Bonds and Green Infrastructure Bonds to mobilise finance for expanded infrastructure investment.

Key to all programmes, whether public procurement, land reform, localization and infrastructure development, must be the deliberate inclusion of women and youth, as well as SMEs, cooperatives and the informal sector. Small businesses globally play a critical role in job creation, in diversification and in bringing more people into the economy. Cooperatives, in the context of a mixed and inclusive economy, also contribute towards community, worker and other sectoral participation in the ownership and management of the economy. Their inclusion and development are a critical part of our economic recovery and reconstruction.

## **STATE CAPACITY FOR DEVELOPMENTAL AND ETHICAL IMPLEMENTATION**

The Lekgotla affirmed the role of a capable, ethical developmental state in implementing the economic reconstruction, growth and transformation plan.

In particular the ability of the state to plan and to implement in a coherent and integrated manner across the three spheres of government. These plans must find expression at local level through the District Development Model, in both urban and rural areas.

The Lekgotla welcomed progress with introducing the district development model to promote seamless integration of national, provincial and local government as integral to the successful implementation of the economic reconstruction plan.

To address backlogs in municipal infrastructure building and maintenance, as well as to support urban and rural renewal, a significant portion of the proposed infrastructure build programme should be directed towards municipalities. In addition to own revenue and fiscal transfers, DFI finance and private sector investment should also be mobilised to improve rural and urban municipal infrastructure. Rural roads and water services should be upgraded with a bias towards the use of local labour and labour-intensive methods. Attention should also be paid to the revitalisation of inner cities and

townships, including a model for concessionally funding title holders to upgrade backyard rentals and adding more revenue-generating commercial developments

The developmental state must forge innovative partnerships between the state, labour, business and other sectors of civil society.

The Lekgotla commended progress in the efforts to forge a social compact among these partners around the economic reconstruction plan at the National Economic Development and Labour Council (NEDLAC). These broad areas of agreement should also find expression in all economic sectors and levels of society, especially at local level.

The Lekgotla urged government to accelerate the implementation of a single public service.

It also emphasised the need for all spheres of government to modernise and implement e-government systems, including the use of digital systems to create transparent supply chain management processes.

## **PEACE AND SECURITY FOR ECONOMIC TRANSFORMATION AND HUMAN SECURITY**

The Lekgotla acknowledged that the current levels of crime, gender-based violence and corruption are adding a huge and unnecessary cost to the social and economic fabric of our society. In addition, corruption undermines public confidence, displaces local and foreign investment in key sectors of the economy and causes doubt on critical initiatives of both government and the private sector.

We took further note of the social and economic impact of illicit financial flows, anti-competitive behaviour, protection rackets, racketeering and destruction of public infrastructure. Part of the social compact must ensure that as a society, we take a firm stand against these kinds of practices, and their impact on consumers, business, communities and the economy.

The work that is being done by law enforcement agencies at the moment is commendable and we reaffirm that we must leave no stone unturned in dealing with crime and corruption.

The ANC commits to an approach that balances the need for the detection of the movement of bribes, the use of the financial systems to launder illicit money flows and the human rights need to allow for honest living (including engaging in business activities) where a citizen has ceased to be entrusted with a prominent public function. In this regard, the Lekgotla reaffirmed the position of the ANC and government that employees of the state should not conduct business with government. At the same time, further consultations will be held among the Alliance Partners and in the legislatures across the political spectrum to find the most appropriate approach to the issue of other politically-exposed persons conducting business with the state.

## **GENDER EQUALITY AND A NON-SEXIST SOCIETY**

The Lekgotla reaffirms the ANC's commitment to a non-sexist South Africa, and as part of progressive global humanity, to achieve Generation Equality in our lifetime. The Lekgotla agreed on the following priority actions towards the achievement of the goal of gender equality:

- Mainstreaming Gender in all national, provincial, district and local programmes, and educating all sectors of society on the approach to gender mainstreaming, including gender budgeting and reporting.
- Gender justice and the economic and financial inclusion of women as key to the ERRP, including such mechanisms as the 40% set aside for women in public procurement, legal remedies to close the gender pay gap, women's participation in key economic sectors, access to assets such as land, etc and women's financial inclusion and empowerment.
- Highlight South Africa's role along with Mexico as a global champion of the South for the achievement of Generation Equality.

- Mobilisation and support for SMMEs, Cooperatives and informal sector businesses at local levels, and as a key part of the district development model (DDM).

The pandemic of gender-based violence requires a multi-faceted approach as set out in the National Strategic Plan on GBV and Femicide, which must become a critical tool in the struggle against patriarchy and sexism. We emphasise that we must deal with Gender-Based Violence as a societal problem and involve stakeholders beyond the criminal justice system. The ANC campaign to involve men and boys in the fight against GBV must be broadened to involve as many partners as possible.

## **BUILDING A SOCIAL COMPACT AND MOBILISING SOCIETY**

The challenges we face, in the immediate and medium term, can only be addressed if we all work together, hence the need to build a national social compact. The social compact must involve social partners through NEDLAC, we must also specifically engage women and youth in national dialogues and be decentralised to sectoral, district and community level compacts, across the country.

To drive the process of social compacting and mobilisation, we need an ANC that is united and focused on the tasks at hand, and with a strong, active presence at community levels and in all sectors of society. Strengthening and renewal of the ANC therefore remains an absolute priority; and a precondition for the deployment of capable cadres as public representatives and in the state.

The ANC commits to ensuring effective gender mainstreaming in all aspects of the Economic Reconstruction and Recovery Plan, through the participation and mobilization of women at all levels.

We must all work together to build social cohesion, at community level, supporting families, children, the elderly and people living with disabilities, young people and other groups facing discrimination.

All this will happen, if we focus our attention on implmentation, implementation and implementation.

I thank you