

COSATU Input to ANC NEC Lekgotla

22/01/2021

Cde President Cyril Ramaphosa

NOBs of the Alliance Partners

Leadership and comrades,

This NEC Lekgotla comes at one of the most difficult times not only for the movement but all South Africans in living memory. Indeed, the entire world is facing similar challenges.

We hope that out of this ANC NEC Lekgotla concrete solutions will be agreed to address these many Covid-19 health and socio-economic challenges as well as the other critical challenges facing us ranging from the cancer of corruption eating away at the heart of the ANC and indeed government; the collapse of many State Owned Enterprises, many municipalities and organs of government and our rising levels of unemployment and poverty.

Comrades the ANC has a clear policy mandate from the 2017 national conference. The ANC was elected by the voters into office on the basis of the 2019 elections manifesto.

The policies are clear. There is no shortage of policies. Nor do we need new plans. What we need is to honestly and constructively assess their implementation. This is something that government has failed to do.

We have the Economic Reconstruction and Recovery Plan developed by government, business and labour at Nedlac. We need to see government and business moving with speed to implement it. We don't need more plans.

COSATU notes the discussion papers for the Lekgotla, but to be honest there is nothing new with them. Again what we need to do is focus on what is preventing government from implementing the ANC's mandate?

We are surprised to be honest that the ETC is presenting an economic paper after the Alliance had adopted an economic paper at the Alliance Political Councils in 2020. It is concerning that the ETC is doing so yet the Federation was not invited to participate in the ETC's discussions.

COSATU and workers are deeply angry with what is a clear neo-liberal agenda being pushed in the state. The Lekgotla papers speak to providing support to workers and affirming the ANC's alliance with COSATU, yet government led by Treasury is waging war against collective bargaining.

Not only did government abandon the 2020 public service wage agreement but it has now unilaterally imposed a 4 year wage freeze on public servants. Once you take into account inflation, this is in fact a wage cut of up to 15% in real terms.

What makes it more painful is that this ANC government refused to engage unions at the PSCBC on this matter.

Treasury sought to impose a similar wage freeze in municipalities. National and provincial government have been silent not only in Amathole District Municipality where workers may go unpaid for 5 months, but in many other municipalities where workers are experiencing similar challenges.

Workers in SOEs have lost not only wages and pensions but also their jobs. These public sector workers are critical to delivery essential public services yet the NEC is silent and paying lip service whilst they are under attack.

We are deeply sceptical that even if we adopt progressive resolutions that these will be adopted by government or that government has the capacity and at times will or commitment to implement them.

These are the critical issues we should be tackling. We need to develop as the Alliance a joint monitoring and evaluation capacity to ensure that government implements mandate of the Alliance and is held to account in that regard.

We will confine our inputs to a few key issues affecting workers that we believe the ANC and government need to recognise and act upon before it is too late.

Covid-19: Health Response

Our concerns with regards to government's health response to the pandemic include the following key problems:

- Lack of enforcement of health and safety measures in public venues, public transport especially trains and taxis, shebeens and bars and workplaces.
- Little track and tracing of persons with Covid-19.
- The delayed and lack of a clear vaccine plan to ensure that 70% of the country is vaccinated by June 2021.
- The failure to rapidly fill vacancies in and reinforce public health care workers decimated by infections.

We should not be having to ask government what it is doing about the key challenges, yet we are forced to.

The consequences of government failing to roll out the vaccines is the unnecessary deaths of hundreds of workers every single day there is a delay. Every day that we are required to remain under lockdown as a consequence is another day where the economy sheds 1000s of jobs, hundreds of businesses and billions of Rands.

Covid-19: Socio-Economic Responses

COSATU has supported government on many of its responses to the pandemic convinced that these will assist in minimising the spread, preparing the nation to resist Covid-19 and in providing in badly needed socio-economic relief to workers, the poor and the economy.

However, we must express our deep anger and frustration with how government and the banks have handled the socio-economic response to the pandemic.

All the relief measures have come to an end. Many in fact were mere mirages. Yet the pandemic remains, the lockdown has been intensified and 1000s of workers are not allowed to work under the disaster management regulations.

UIF Covid-19 TERS

This is a matter of principal. It is immoral for government to legally restrict vulnerable workers, e.g. those over 60 years or with co-morbidities and certain economic sectors, e.g. liquor and tourism, from working and yet refuse to provide any social or economic relief.

How does government expect these workers and companies to survive? It shows how comfortable and out of touch some of our comrades in government are. Whilst they sit comfortably receiving their exorbitant salaries each month, they have no qualms in banning 1000s of workers and companies from working without any relief.

The Department of Employment and Labour has refused to extend the UIF's Covid-19 TERS which to date has pumped over R57 billion into the economy and saved millions of jobs. It was unilaterally ended on the 16th of October yet the UIF has over R100 billion in assets of which R60 billion are liquid. The cost of extending it would be roughly R2.5 billion per month. An amount the UIF can clearly afford.

It has referred workers and companies to apply for normal UIF benefits, yet there are no normal UIF benefits that cover workers required to isolate or who are placed on Covid-19 quarantine. It is telling workers to tap into their existing UIF credits in exchange for reduced time pay, yet this will put those workers at risk of having no UIF credits left if they are later retrenched.

This is the same UIF which has failed to unblock the normal TERS where companies often wait 11 months to receive their payments. Government needs to intervene to remove these blockages and those affecting the UIF's High Impact Social Fund.

R350 Grant

The R350 Covid-19 grant provided relief for those lucky enough to receive it. It costs a mere R2 billion a month and is thus affordable for the fiscus. It provides invaluable help to those who most need it. We all claim to support a basic or universal income grant. This R350 grant is the genesis for a BIG. A nation needs such grants when its economy is on its knees. Yet government is ending it this month.

Loan Guarantee Scheme

This was said to be the heart of the R500 billion economic relief package. Yet despite the promised R200 billion commitment, only R18 billion has been released by the banks to businesses. In fact, Treasury only signed surety for R67 billion and quickly walked away from what was to be a critical tool to save 1000s of businesses.

Despite repeated public pronouncements by the President and Treasury to revamp the LGS to address its shortcomings, this was not done. Treasury and the banks have allowed it to fail.

Sectoral Relief

Commitments were made to provide relief to heavily battered sectors of the economy, e.g. tourism, liquor, SMMEs, sports, arts and culture. Yet very few actually received any help. The little that was dispersed was in the millions. At the same time Treasury slashed R1 billion from the Department of Tourism's budget.

Tax Relief

The various tax relief measures provided for by government in the first 3 months of the pandemic helped many companies survive. We are now in Level 3. The liquor industry and parts of tourism are under various restrictions. The liquor industry pleaded for excise duty and tax deferrals yet received cold silence from Treasury.

The Repo Rate

The SA Reserve Bank provided significant relief to the economy and consumers by slashing rates in 2020. With inflation stable at 3.5% and the Rand appreciating, all sane economists agree that there is space for further repo rate cuts.

The Finance Minister must talk to the SARB to provide relief to a battered economy.

Debt Relief

Government does not have endless resources. The UIF cannot afford to carry the economy alone on its shoulders.

The commercial banks have significant space to help cushion consumers, businesses and the economy. Yet the little relief they provided was in the beginning of the lockdown and in fact a charade. Those lucky enough to be granted loan payment

deferrals, were charged interest for this. Why is government not engaging the banks to come to the table?

CCMA

Millions of workers have lost wages, benefits, protection and jobs and thus sought the assistance of the CCMA, the first and in reality, only legal platform to protect their constitutionally guaranteed rights.

What has government done to reinforce the CCMA dealing with a flood of pleas for help? Nothing. Treasury slashed a massive R600 million from the CCMA's budget.

This has forced the CCMA to retrench commissioners, stop walk ins and scrap conciliation services.

This must be reversed.

Governance Crises

Comrades we are facing local government elections this year. Is the record of government something that can convince workers in their millions to turn out and return it to office across South Africa?

You will remember that in the last local elections the ANC lost all but one of the major cities.

Workers will ask what has government done to stop corruption, arrest those who loot, confiscate their stolen assets and ensure that criminals are brought to trial?

They will ask what has government done to plug the holes in the fiscus that see on average 10% of the budget or R160 billion lost every year to corruption and wasteful expenditure?

They will ask what is government doing in Amathole District Municipality which has been so badly run that it will now not pay workers for 5 months? They will ask what is government doing in the other 30 municipalities experiencing similar problems? Or the 90% of municipalities classified as financially distressed by the AG?

Workers will ask why is the government they elected allowing 1000s of workers to lose their wages, pensions and jobs in our SOEs?

Treasury then tried to achieve the same in local government. Despite lip service, government has actively undermined collective bargaining. Now our unions are forced to take government to court and report it to the ILO all to force it to respect the rights of workers to collective bargaining.

With this track record, how does the ANC expect to win workers' votes in the local elections?

Concluding remarks

Comrades, many of the commitments in the discussion papers for this Lekgotla are progressive.

The problem is they are saying little new. They are short on specifics, time frames, financial resources and specific actions.

We are doubtful that they will find space in the Budget to be tabled at Parliament in February. The few that will, we are sceptical that departments will have either the commitment or capacity to implement.

We further do not believe that the ANC will then hold government accountable for not implementing the ANC's progressive manifestos, resolutions etc.

Comrades we are being honest as workers love the ANC, they want the ANC to succeed, they want government to help them in the moment of need.

But they have lost hope and faith that either will happen.