

COSATU's Input to ANC NEC Lekgotla

04 September 2021

Comrades President of the ANC, NOBs and leadership of the ANC,

General Secretary and CC members of the SACP,

NOBs and CEC members of COSATU,

All comrades present for this critical NEC Lekgotla,

Good afternoon comrade leadership,

Please accept the fraternal greetings and best wishes of the leadership, Affiliates and membership of COSATU.

Introductory Remarks

We are meeting in this Lekgotla amid many challenges. We are battling an unprecedented global pandemic that has taken the lives of more than 80 000 South Africans. We are facing the deepest economic recession in a century. Unemployment has pushed past 44%. Many SOEs and municipalities have collapsed.

COSATU's focusses on the challenges facing workers, the movement, government and the nation and what must be done to fix them. We will be frank and blunt.

We acknowledge the many good things being done by the President, government and the movement. These include the beginnings of cleansing government and the ANC of the cancer of corruption, e.g. implementing the Nasrec step aside in Cabinet and the ANC, the charging of government officials, recovering stolen funds in Eskom.

We welcomed the R53 billion released from the UIF to provide relief to over 5.5 million workers, but please note that is workers' contributions and that government has not contributed its share to the UIF. We appreciate the various economic and social relief measures that have helped millions of unemployed, workers, businesses and sectors both during the pandemic and in response to the violence in KZN and Gauteng.

We commend this administration's support for social compacts and seeking to find common ground with organised labour and business at Nedlac on many issues, in particular the Economic Recovery and Reconstruction Plan. It is only through social compacts and working together that we will be able to resolve the daunting challenges facing the economy and workers.

We are worried the agenda of this Lekgotla is silent on the state of the ANC. We are heading to the local elections in 8 weeks. It is clear from our failure to register candidates in more than 90 municipalities that our organisation is in a serious crisis. This is compounded by the failure to pay ANC employees their salaries for more than 2 months, let alone their other contributions for several years. We need to engage here on what is happening and what needs to be done to address these crises if we hope to survive let alone win the elections that are now weeks away.

The image of our movement is tattered. Not a week passes without another humiliating scandal of a comrade implicated in looting and endless criminal activities.

There are many critical issues we need to discuss. We need to avoid discussing for the sake of it. We need to emerge with clear decisions and actions to be undertaken. These must not be slogans. They must be practical, actionable and address the crises of unemployment, Covid-19 and the collapse of key organs of state.

We need to be honest and reflect on how these crises are happening under the watch and complicity of our own comrades. State capture was orchestrated by our comrades. Our comrades were deeply involved in the violence in KwaZulu-Natal and Gauteng. It is our comrades who have humiliated the ANC by failing to register candidates in over 90 municipalities.

If we are genuine about fixing the ANC, government, the economy and our many challenges, then we must accept responsibilities for how we have brought the ANC, economy and South Africa to its knees. The time for us outsourcing our failures to others must end. Otherwise we must accept that the ANC will die under our watch.

Economic Recovery and Reconstruction Plan (ERRP)

Government, business and organised labour engaged extensively on the ERRP at Nedlac. It deals with immediate interventions needed to kick start the economy, save and create jobs. Engagements need to begin on the medium and longer terms interventions needed to tackle the structural obstacles.

We must raise our deep concerns on the slowness of government and business to meet their many commitments under the ERRP. Workers do not have the luxury of time. We must raise our concerns on the repeated delays by government in convening leadership meetings of the ERRP with the President at Nedlac. Society will not take us seriously if we do not take our own commitments seriously.

We have seen progress with the Eskom Social Compact, namely beginning to tackle corruption and wasteful expenditure. More needs to be done to move the Just Transition commitments to opening of solar panel factories in Mpumalanga and ensuring workers and communities are given opportunities to own generation capacity.

COSATU is deeply concerned with how the restructuring of SOEs is managed. We are surprised to see announcements by government on the restructuring, unbundling etc of SOEs. We were surprised to read about the partial sale of a resuscitated SAA.

Our Affiliates want to be part of these engagements and to contribute to saving these SOEs. Engagements cannot be a phone call the evening before an announcement. The consequence of leaving workers and unions behind is that it fuels fears that SOEs are being allowed to die, workers will be retrenched and SOEs will be privatised.

The ERRP committed all of us to ramp up local procurement as an immediate intervention to save and create jobs and grow our manufacturing sectors. Yet the ANC is well known for buying t-shirts from China. Few departments bother to ensure that their furniture is locally made. Our NEC members drive imported cars.

Treasury has been sitting on the Public Procurement Bill for over 5 years. Despite it being raised at Nedlac in 2019 with the President, it still has not been tabled at Nedlac.

The ERRP has identified many network blockages to growing the economy yet we do not see much progress on many of them. We have been talking about digital spectrum for years. Water licensing remains a problem. There are more than 10 years' worth of mining applications gathering dust in the Department of Mineral Resources.

Yet government does not move on these simple but critical blockages. The economy will not grow through PowerPoints, it will grow when Ministers and DGs do their work.

The fiscus is overstretched, it will never have enough funds to stimulate the economy. We have made commitments to mobilise financial resources to grow the economy. Yet 7 months after requesting public comments on amending Regulation 28 to allow pension funds to invest in infrastructure, Treasury has not implemented it.

Our economy is on its knees, it is shedding jobs, it needs every bit of stimulus. Yet the response of government is to slash expenditure. Cutting expenditure only worsens the situation and chokes the economy.

We agree that we cannot be reckless about the debt to GDP ratio or the deficit. But equally we cannot be reckless about an unemployment rate of 44%. The state has money, but it does not know how to spend it. Billions are lost to corruption and wasteful expenditure, tax evasion and customs fraud. We need government to fix the leakages in the state so money can be spent on growing the economy.

Building a Capacitated Developmental State and Local Government Priorities

The ANC has put COSATU in an impossible position. We are a trade union federation and our ally is abusing the rights of workers. This is not an idle accusation it's a fact.

It is unacceptable how the ANC treats its employees. We do not need excuses. These workers must be paid what they are owed. SARS, the UIF, Compensation Fund, Skills Levy and the pension funds must be paid what has been deducted from the salaries of the ANC staff. These are the requirements of the laws that the ANC has passed.

What kind of message does it send to business when the ANC is shown to break the law time and again, with no consequence or remorse. If government had a backbone it would take the offending managers to court. Deducting UIF from salaries and not paying it to the UIF is a criminal offence, it is fraud and theft.

Head Office must explain why the ANC has employees over the age of retirement? Why there are employees earning Ministerial salaries? Why there are staff who do not report to any office and are seen mobilising against the ANC?

Do not blame the Political Party Funding Act. It came into effect in April this year. Head Office has not been paying the UIF and SARS and pension funds for 3 years. The Act merely says you cannot take money from government and that you should disclose the sources of funding. These are the same rules that apply to unions. Unless the ANC is receiving illegal funding from government or the sources of crimes?

This scant regard for the rights of workers fits into a pattern of anti-worker actions of our government. Government abandoned the 2020 wage agreement and simply announced it in Minister Mboweni's budget speech. Minister Mboweni then went back to Parliament in October 2020 to announce a further 3 year wage freeze.

Government failed to go to the PSCBC where collective bargaining matters belong. This collapses collective bargaining. It undermines your ally, COSATU. Government then forces unions to take it to court to get it to honour collective agreements. Yet the ANC will then ask workers to vote for it in the local elections.

The austerity budgets are collapsing the capacity of the state to deliver. We saw this with the inability of law enforcement organs to maintain law and order in KZN.

We see it with the phone lines of the UIF and CCMA cut for weeks. COSATU has repeatedly raised the dire impact of the budget cuts to the CCMA and the impact they have on workers at the APC. Yet government refuses to resolve the matter.

We are preparing for our most difficult local elections. What will be our story?

Municipal workers will tell you how in countless municipalities their salaries and pensions are not paid on time. They will tell you how bankrupt municipalities are outsourcing permanent municipal work to the EPWP and CWP.

They will tell you how municipal workers have been dismissed for exposing corruption in the Free State and assassinated in Vhembe. Despite COSATU raising these cases repeatedly at the APC, they are still not resolved.

Communities will say basic services are collapsing. Clover has left Lichtenburg because the municipality cannot pave roads or provide water and electricity. The AG's reports paint a horror story with 90% of municipalities financially distressed.

Luthuli House decided to take us to new lows. No excuses can justify the failure to register candidates in over 90 municipalities. Before even 1 vote has been cast, we have handed over 22 municipalities. It is not the first time. It happened before in Potchefstroom and Phillipi. And we then outsource our failures to the IEC.

The reason comrades failed is because they wait to the last minute to do what should have been done a month before. The levels of incompetence are staggering.

The elections are in weeks and yet we have not even begun to campaign. We do not have a manifesto, have not launched a single advert, nor begun to canvass.

We need a manifesto that will be an honest assessment of the state of our municipalities and how they will be fixed. Voters do not want promises. They deserve to hear us account on how far are we in implementing the 2016 and 2019 manifestos. They want us account to for our failures and explain how will we fix them?

Covid-19 Responses

We need practical solutions on how we can accelerate the roll out of vaccines and convince everyone to vaccinate. This is the only way to save the economy and jobs

and emerge safely. Demand is worryingly low. We need to take the vaccines to our townships, informal areas, villages, farms, churches, taxi ranks and shopping centres.

We need to incentivise people to vaccinate and find ways to reward them for doing so. All Alliance partners need to do more to convince and mobilise our people to vaccinate.

Our relief package in response to the pandemic and the violence in KZN and Gauteng was progressive. The challenge has been implementing. The UIF is a mess. This has caused applications to it for TERS to plummet. The Loan Guarantee Scheme had a tepid take up and Treasury and the banks refused to fix it.

The reinstatement of the R350 Covid-19 Grant is welcome. It must now be made permanent and increased to the food poverty level. Its recipients will not miraculously find work in April. We must overhaul our skills regime to help workers find jobs. We cannot be proud to be a nation with over 20 million dependent on social grants.

Peace and Stability and Fighting Corruption

Our greatest failing is how we have allowed corruption to explode and entrench itself in every fabric of our lives. It is a disgrace. It is our comrades who are looting.

We welcome efforts to implement the Nasrec step aside resolutions, removing Ministers, DGs and officials accused of corruption, efforts by Eskom to retrieve the stolen billions. We need people convicted and imprisoned and their assets seized.

We need to intensify this fight. Even if it means some of us here must be made guests of Correctional Services. If we fail in this war, it will be the end of the movement.

COSATU proposed to government at Nedlac and the previous NEC Lekgotla that we be courageous and ban the national, provincial and regional leaders of political parties from tenders. The spouses and children of such leaders and members of the executive too must be banned from tenders. Despite commitments from the ANC and government, both have run away from engaging on this.

If we are serious about uprooting corruption, then we must take bold action. We cannot continue to read every week about how another child of a Minister got a tender.

We need to be seen to be protecting whistle blowers.

We need a commission to investigate the role of our comrades in stoking the violence and criminality in KZN and Gauteng. There was looting by ordinary citizens, but looters do not waste money on petrol to burn shopping centres. We need to see action.

Concluding Remarks

Workers are angry at the endless failures of the ANC and government. They are tired of disingenuous excuses. They are exhausted by the factional fights and looting destroying the public services they depend upon. They are furious that two provinces were burned to the ground by comrades. They doubt we will redeem ourselves. It is up to us to earn the trust of workers and voters back. We hope against hope that this Lekgotla will be a turning point.

Thank you.