

# AFRICAN NATIONAL CONGRESS



## DEPARTMENT OF INFORMATION AND PUBLICITY

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### **POLITICAL OVERVIEW BY PRESIDENT CYRIL RAMAPHOSA TO THE ANC NEC LEKGOTLA HELD ON 4 – 6 SEPTEMBER 2021. VIRTUAL MEETING**

National Chairperson Gwede Mantashe,  
Deputy President David Mabuza,  
Officials of the African National Congress,  
Former President Thabo Mbeki  
Former Deputy President Kgalema Motlanthe  
Members of the NEC,  
Leadership of the SACP and COSATU  
Leadership of the ANCWL, ANCYL and ANCVL,  
Leadership of SASCO  
Ministers and Deputy Ministers,  
Metro Mayors and leaders of SALGA,  
Deployed Comrades,  
Comrades and Friends,

Welcome to the second Lekgotla of the ANC NEC in 2021.

Our Makgotla bring together the political and governance leadership of the country to assess the efficacy of our strategies and programmes. Based on this assessment, we are then requested and required to fine-tune these strategies and programmes to more efficiently serve the people of South Africa.

We are going to receive a number of presentations and urge comrades to critically engage information presented at this Lekgotla and make concrete, implementable recommendations to improve life for all in the country.

South Africa, and the world, continue to be affected by the COVID-19 pandemic and must continue to strengthen our response measures.

The movement must stress the necessity for every eligible citizen to be vaccinated and highlight continued adherence to the non-pharmaceutical interventions of maintaining physical distance, wearing of masks and washing of hands. It is important to emphasise that even vaccinated individuals must continue to wear their masks in public settings.

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| <b>PRESIDENT</b><br>CM Ramaphosa | <b>DEPUTY PRESIDENT</b><br>DD Mabuza | <b>NATIONAL CHAIRPERSON</b><br>G Mantashe | <b>SECRETARY GENERAL</b><br>ES Magashule | <b>DEPUTY SECRETARY GENERAL</b><br>JY Duarte | <b>TREASURER GENERAL</b><br>P Mashatile |
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We must combat misinformation and conspiracy theories that contribute to vaccine hesitancy and put people's lives at risk. The message must be that vaccines are safe, effective and protect people against severe illness and death.

If we do not succeed in vaccinating sufficient numbers of people, this would allow space for the virus to mutate and develop further resistant variants. Let us therefore spread the message about the importance of vaccination consistently and more widely.

### Economic Reconstruction and Recovery

As we deal with the pandemic, we have to reflect on the impact that the pandemic has on the economy and on peoples' lives.

With the onset of the COVID-19 pandemic, there have been significant shifts in global economic policy trends that we can learn from.

In several advanced economies, there has been a shift from a conservative, neo-liberal approach towards the encouragement of fiscal spending, alongside a move from debt fears to a preference for overheating.

On corporate taxation, there has been a shift from a race to the bottom to tax increases, and there is a move in labour markets from deregulation to empowering labour and unions.

We can also observe specific South African trends.

- There is a demand for government to do more to alleviate unemployment and poverty, which remain unacceptably high.
- There is a significant demand for instituting the Basic Income Grant
- There is rising mistrust in government

The rapid uptake and high numbers of applications for the R350 Social Relief of Distress Grant is illustrative of the extent of the challenge before us.

It is increasingly clear that that our current economic policies, programmes and plans are not sufficient in scope and scale the answer the challenges represented by widespread poverty and unemployment. There are at least 11 million unemployed people in South Africa, a number that grows annually.

Too many people live below the poverty line, regardless of what metric is used to measure poverty. This means that too many of our people go to bed hungry every day.

The recent public violence and destruction demonstrates how easily the economic and social conditions of poor and marginalised South Africans can be exploited to damaging effect for both individual citizens and the country as a whole.

We have begun to implement necessary and important programmes in terms of the Economic Reconstruction and Recovery Plan (ERRP), but these must be supplemented by further targeted measures if we want to make decisive progress in addressing poverty and unemployment.

The Infrastructure programme remains the backbone of the economic recovery and reconstruction plan and has begun to make a noticeable impact in several areas, such as water infrastructure. Comrade Kgosientso Ramakgopa will give a more comprehensive report to the Lekgotla and comrades must engage this report.

Important gains have also been made in sectors such as mining, the automotive components sector and financial services.

We have implemented structural reforms in the electricity sector, such publishing regulations stating that generation projects under 100 MW in size will no longer require a license from the national energy regulator, and will be able to sell power to multiple customers by wheeling electricity across the grid.

This will not only alleviate the immediate energy supply shortfall, but will lead to massive investment in new projects and stimulate growth in the short and medium term.

Furthermore, discussions between the Independent Communications Authority of South Africa (ICASA) and licensees are continuing to reach an out-of-court settlement that will enable the auction of spectrum to continue. We must resolve all the impediments delaying this important reform to modernise telecommunications infrastructure and reduce the cost of data.

Significant work is under way in sectors such as the water sector and our visa regime, but much more needs to be done to enable growth and job creation at the scope and scale the country requires.

The whole world must be more proactive in dealing with the challenges and opportunities presented by climate change.

Climate change poses risks to global security and stability in terms of flooding, droughts, disease and impact on food security, potentially leading to forced migration and increased geo-political tensions.

There are specific economic risks and opportunities that attach to climate change and South Africa will have to ensure that we adapt to these in a manner that has positive effects on economic growth, job creation and the skills profile of the workforce.

The Lekgotla will receive a presentation on Climate Change and the Just Transition, outlining specific risks of climate change for the country, measures to meet South Africa’s obligations in terms of the Paris Agreement and a number of opportunities that exist for a genuine just transition.

The ANC government must be bolder and much more ambitious. We must craft a grand compact with labour, business and civil society for economic growth, extensive job creation and provide support for the unemployed.

Consideration must be given to:

- A significant expansion of public and social employment. The Presidential Employment Stimulus has already created close to 700 000 opportunities and has shown what is possible in a short space of time. This programme could be massified with the participation of the private sector and non-profit organisations.
- Providing incentives and creating an enabling climate for businesses, including SMMEs, to expand employment opportunities. We could expand and deepen the Employment Tax Incentive – and mobilise sufficient resources – to subsidise a radical expansion of employment in the private sector.
- Income support for those who remain unemployed and are not reached by the employment incentive or public and social employment programmes. We need to carefully explore the options in this regard, and determine what is feasible and what would have the greatest impact on poverty – whether that is a targeted grant for those who are unemployed, a jobseeker’s allowance for unemployed youth, or a new grant targeted at poor households.
- Support to enable individuals and households to achieve productive livelihoods. This should include programmes to enhance employability, like the Presidential Youth Employment Intervention, and support for beneficiaries to access opportunities. These measures are complementary to cash transfers, and should help beneficiaries to graduate out of poverty and into employment and other income-generating activities.

These interventions need to be packaged together with other key measures to stimulate growth. These could include:

- Acceleration of further structural reforms to stimulate competition, reduce input costs and expand the country’s productive capacity.
- A reduction in the bureaucratic red tape that constrains the growth of businesses, particularly for SMMEs and informal businesses. This could include the removal or adjustment of licensing

costs for small and informal businesses and improved coordination among different authorities to speed up approvals.

- Support for new industries that have high potential for growth and employment, such as cannabis/hemp, renewable energy, global business services and the hydrogen economy.

These interventions will have significant budget implications, and we have to find ways to implement them without compromising our fiscal trajectory.

We need to be ready to engage with the eventual sacrifices and trade-offs that will be required.

However, we need to increase our level of ambition if we are to make progress in creating employment and supporting livelihoods. This will require both the mobilisation of additional resources and the more effective use of the resources we have. It will require that we prioritise spending far more rigorously, and end programmes that are underperforming.

Government's plans and programmes must find their origin in the plans and policies of the movement and it will be important for the ANC and the Alliance to strengthen their ability to plan, coordinate, monitor and provide strategic direction to government.

#### Building a Capable Developmental State

The movement and government have identified the building of a capable, and ethical, developmental state as one of our key priorities.

We are painfully aware of the risks inherent in having a state machinery that does not respond effectively to the needs of the citizenry. The breakdown, delays and mismanagement of many critical services and programmes, as well as the corruption, stand as testament to the denuding of state capacity.

It is incontrovertible that this government has begun to make improvements to several state institutions, such as SARS, the NPA and other critical services such as the health and education sectors. We intend to continue these rebuilding efforts.

Committed, diligent, capable and ethical public servants are at the heart of growth and setting up of the developmental state. We need to continue with efforts to professionalise the public service to serve citizens with distinction. Much of the negativity that is associated with the public service can be attributed to public servants who do not perform their duties adequately.

Some of the initiatives we have instituted include consideration being given to instituting a formal graduate recruitment scheme and extensive training and upskilling programmes for existing public servants. Many of these programmes are offered through the revamped National School of Government.

Another aspect of our drive to build a capable developmental state is to implement the District Development Model (DDM) throughout government.

The DDM represents a whole of government approach to planning, budgeting and implementation whereby all three spheres of government work together at a district level, where it matters most. It aims to eliminate the silo approach between government departments and the three spheres of government. Comrade Nkosazana Dlamini-Zuma's presentation will give much more information about the work that are happening in terms of the DDM.

It must be internalised that the DDM aims to improve service delivery at all levels of government. It is a model of cooperative governance that aims to eliminate wastage and duplication of resources and requires a mindset shift from leaders and public servants at all levels to work as a single unit within specific districts.

Members of the national executive have been assigned specific districts to support the implementation of the DDM. District champions are expected to engage identified partners and stakeholders in their districts and assist with unblocking intergovernmental blockages, assist with formulating development and investment plans and provide guidance for the overall development of One Plans. Most provinces have also assigned district champions from their provincial executives.

The recent report of the Auditor General made it clear that too many of our municipalities are dysfunctional and a large number of these dysfunctional municipalities are governed by the ANC.

We therefore need to examine which interventions the ANC-government must implement at local government level in order to decisively address dysfunctionality,

There must be specific interventions in political, governance, administration, service delivery and financial management, and promotion of investments, to improve the overall functioning of local government.

The challenges are profound and widespread. Our interventions must therefore include the appointment of political leadership and officials who are skilled, knowledgeable and capable of dealing with the demands of local government.

The ANC has begun a process whereby we interview mayoral candidates to ensure that we entrust this important position to skilled and capable cadres. We urge government to implement more rigorous criteria and processes for important local government managerial positions, e.g. municipal manager and chief financial officer.

The Constitutional Court has confirmed that we will have Local Government Elections on a date between 27 October and 1 November 2021.

The movement will have to conduct the campaign and mobilise under pandemic conditions and with limited resources. We must ensure that we use technology and other innovative methods that will reach millions of members and supporters in safe and dynamic ways and in line with COVID regulations.

#### COVID-19 and Social Relief Measures

I will not repeat what I had already said about COVID-19, except to say that much more that can be done to combat this pandemic. We will also receive a presentation about this.

We must interrogate how long our can fiscus sustain payment of measures such as the Social Relief of Distress Grant and how feasible will it be to terminate the grant in March 2022, taking the high levels of poverty and unemployment into account.

It therefore becomes imperative that our social relief strategies complement our agreed economic reconstruction and recovery strategies that focus on poverty alleviation and solutions that build capabilities and aim to support people to enter the jobs market and become more economically active.

National Treasury allocated R26,7 billion to pay beneficiaries of the monthly R350 SRD grant and the cost of administration is R500 million.

More than 12 million people had applied for this grant by 1 September, 43% from males and 57% from females. About 56% are those who previously applied, which may indicate that close to half of previous recipients may no longer need the grant.

62% of the applicants are from young people aged between 18-35 years. We need to develop targeted programmes to assist these young people to enter employment and become more self-sufficient.

Nearly 7 million of these applications have been approved and almost 5 million (4, 7 million) grants (68%) have been paid out by 1 September. There is clearly an acute need for and significant take-up of this grant.

The pandemic has highlighted the enormous dedication of South Africa's health care professionals and we remain grateful for their service during this difficult time.

It also exposed that we must work harder to improve both health infrastructure and staff shortages in the sector.

In addition to implementing the agreements reached in terms of the 2018 Health Compact, we are hard at work preparing our system for the eventual implementation of the National Health Insurance.

The NHI Bill is currently before the Portfolio Committee on Health and the subject of public consultation. Whilst a larger proportion of the received submission supports the NHI, there is a well organised opposition to this Bill. We must communicate more effectively to the public about the benefits of NHI to ensure wider support for universal healthcare.

Another social ill plaguing our society is the prevalence of patriarchal attitudes and widespread sexism in our society. This finds expression in all parts of our society and we must be more pro-active in eradicating sexism, even within our movement and government.

One of the most heinous expressions of patriarchy and sexism is gender-based violence, which is overwhelmingly perpetrated by men against women.

The release of the Crime Statistics for Quarter 1 2021/22 by the Minister of Police points to a bleak situation of significant increases in gender-based violence-related crimes. 10 006 people were raped from 1 April 2021 – 30 June 2021.

This will not be allowed to continue. As we continue to strengthen efforts to protect our people from the COVID-19 pandemic, we need to accelerate and amplify the different ways to make our communities GBVF free zones, using the National Strategic Plan on GBVF as the road map. We need to understand what is happening, what is driving this scourge and what prevention interventions are required to turn the tide on a growing misogynistic culture of gendered violence.

Our country, including our young people, continue to be severely traumatised by the levels of violence in the country and their specific vulnerability to rape, domestic violence, femicide and all forms of GBV.

We need to firmly ground our responses to GBV in our communities, where this violence is taking place and make our homes, communities and workplaces violence-free zones.

Parliament has passed the Criminal and Related Matters Amendment Bill and the Superior Courts Act, 2013, which aim to provide intermediaries' appointments and give evidence through them. It has also amended the Criminal Procedure Act of 1977 to regulate the granting and cancellation of bail for perpetrators of GBV and regulate sentences regarding offences committed against vulnerable persons.

We need to hold each other accountable for adequately responding to GBV, as a movement, government and country. It is only through holding one another to account that we will make a meaningful difference in the fight against GBV.

#### Peace & Stability and Fighting Corruption

The high levels of gender-based violence, periodic and sometimes violent protests and persistent reports of corruption contribute to an environment where South Africans feel unsafe.

Our most important priority should be to create a society where all citizens feel and are safe. I have already set out what steps we are taking to address gender-based violence.

The Zondo Commission of Inquiry is set to report in October 2021 and we anticipate that they will make their report public.

The ANC and this government will be criticised in the main due to an exaggeration of the role of the Deployment Committee and misrepresentation of its ambit, as well as for the management of the work our MPs do in Parliament and parliamentary structures.

Specific allegations have been levelled against leaders and deployees of the movement and there is a concerted drive to tie these allegations to the organisation and portray a picture of a corrupt and incompetent ANC and ANC-government.

We need to be ready to address these and develop concise messages before the report comes out.

An important issue will be to engage with and preparing ourselves for implementation of the recommendations.

Finally, there is a palpable feeling of anger towards and disillusionment with this government, which we must not underestimate. The people in this meeting bear the bulk of the responsibility for turning this around. It is our collective duty to address this.

Our country has been through a traumatic period, exacerbated by the pandemic, the ailing economy and rising unemployment, poverty and inequality.

It falls to us to bring hope to the nation and prove to them we can improve their lives.

We must serve the people diligently, ethically and with distinction.

I wish you positive and invigorating deliberations in this Lekgotla.

Take decisions that will move this country forward.

I thank you.

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