

COSATU Responses to ANC Discussion Documents for the Policy Conference



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Commission on Economic Transformation

State Intervention in the Mineral Sector or Policy Framework on the Nationalisation of the Mines - SIMS

1. The Policy Context

1.1 The SIMS report emerged out of the 3rd National General Council Resolution on Economic Transformation, which established consensus on the nationalisation of the mines and other strategic industries. The 3rd National General Council stated that “The ANC’s approach to economic transformation of the South African economy should always be holistic and comprehensive, covering all sectors of the economy. In this regard, the ANC should ensure greater state involvement and control of strategic sectors of the economy, such as mining, energy, the financial sector and others. There was greater consensus in the commission on the nationalisation of mines and other strategic sectors of the economy. The NGC therefore mandated the NEC to ensure further work be done, including research, study tours and discussions, and to report to the Policy Conference for decision at National Conference in 2012”. It was therefore agreed that nationalisation will be the dominant form of state involvement and control of the mines and other strategic sectors.

1.2 Admittedly, there have been zigzags in the movement regarding the question of ownership and control of the economy¹. For example, in a discussion document published in 1987, the ANC interpreted the third and fourth clauses of the Freedom Charter to “project the seizure of economic assets presently owned either by South African capitalist firms or trans-national corporations. Such measures will strip the present ruling class of the actual substance of its power, by seizing control of the commanding heights of the economy. People’s power, as conceived within our movement, will therefore entail a democratic revolution of a new type, in which the interests of the working people, of town and countryside, will be pre-eminent”. But the Draft Minerals and Energy Policy (1994) asserts that: “Nationalisation is not necessarily an effective method to achieve equity and efficiency to the conglomerates and would divert scarce resources to compensate existing owners’ constitutionally protected property rights”. This latter position is forcefully echoed in the SIMS report. This runs against the consensus that was established in the 3rd NGC².

1.3 COSATU’s position on nationalisation has been consistent throughout the years. In its 1992 Policy Conference, the Federation identified key sectors that should

¹ The 9th Congress of COSATU explained this as follows: “The ANC is however a contested terrain that is lobbied by different strata in our society. This has caused conflict within the ANC and the Alliance and a shift from the ANC’s earlier working-class bias as adopted in its Morogoro Congress of 1969”.

² It should be noted that *all* the ANC structures and *all* its Allies endorsed the resolution on nationalisation in the 3rd NGC. The phrase “in the commission” was sneaked in unceremoniously to project a false view that there was no consensus in the plenary of the NGC. In fact one delegate moved for the amended of the resolution to remove the phrase “in the commission” and replace it with “in the NGC”, an amendment that was clearly never implemented by the resolution drafters. Evidence of consensus in the plenary of the NGC should be available from video archives.

be nationalised by the democratic state³. Amongst other issues, the 9th Congress of COSATU resolved the following:

- a) We must bring back the fundamental thrust of the Freedom Charter and the RDP on nationalisation of key and strategic industries.
- b) Government must return to the Freedom Charter demands for the nationalisation monopoly industries like mines and the banks
- c) To campaign within the Alliance and society at large for the nationalisation of economic assets in key economic sectors such as minerals, telecommunications, petrochemical, etc.

1.4 The 10th Congress of COSATU further noted that “the Freedom Charter propagates state ownership of the commanding heights of the economy and control of the private sector for the benefit of the people”. Congress also called for the building of an “interventionist, activist, socialist-oriented developmental state whose role in the economy is aimed at implementing the provisions of the Freedom Charter without distortion while at the same time combating right-wing revisionist tendencies to the Freedom Charter”. In addition the 10th Congress called for the developmental state to engage in “the nationalisation of strategic industries, expropriation of land for the land-hungry”.

1.5 In relation to BEE the Federation called for the implementation of the Freedom Charter’s demand of transferring ownership of mineral wealth beneath the soil, banks and monopoly industry to the people as a whole. The 9th Congress noted the following: “Instead of pursuing this demand the government is handing over key economic sectors like mining to few rich individuals. This cannot benefit the majority of the people”. In fact the Freedom Charter is clear that mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole. Private sector empowerment, i.e. BEE, would occur in “all other industry”, which will be controlled to assist in the well-being of the people. Entrepreneurs in all these “other industries” would be supported by the state, where their objectives do not conflict with the developmental priorities of the democratic state.

1.6 The replacement of state ownership with BEE as a mechanism to redress economic power relations, especially the ownership and control of the mineral wealth, banks and monopoly industry, is a revisionist deviation from the NDR towards a bourgeois-democratic revolution. It runs against the letter and spirit of the revolutionary character of the ANC, when it said: “We do not understand the complexities which will face a people’s government during the transformation period nor the enormity of the problems of meeting economic needs of the mass of the oppressed people. But one thing is certain - in our land this cannot be effectively tackled unless the basic wealth and the basic resources are at the disposal of the people as a whole and are not manipulated by sections or individuals be they White or Black”⁴. Today, as we will demonstrate, the basic

³ See also COSATU’s “A Growth Path Towards Full Employment”, 2010, p.110—115.

⁴ Strategy and Tactics of the African National Congress, 1969.

wealth and basic resources are manipulated by both Black and White sections and individuals.

1.7 In order to implement the above policy positions, the 9th Congress of COSATU resolved that “The National Liberation Movement as led by the ANC should speed up the process of reviewing the clauses affecting the working class in the national Constitution that could contribute towards a developmental state. The sunset clause entered into with the National Party should be reviewed”. COSATU further resolved to agitate for an urgent conference after the 52nd Conference of the ANC, to review the national constitution in order to “incorporate systematically the economic clauses of the Freedom Charter and deal systematically with the property clause”.

1.8 The above policy context should inform the attitude of COSATU to the SIMS report and indeed, the attitude of Federation to the whole question of ownership and control of strategic sectors of the economy, of which the mineral sector is a part.

2. The Problem with the Terms of Reference

2.1 According to the SIMS document, its Terms of Reference called for a critical analysis of:

- a. The existing mining sector, including potential and actual upstream and downstream sectors;
- b. Mineral-related logistics; energy and environmental sustainability challenges and opportunities;
- c. Existing state assets in the sector;
- d. Present legislation and regulations including the licensing regulations, and the Mining Charter.
- e. International approaches to state intervention in the minerals sector, as well as the historical perspective on the evolution of current mineral regimes. This will be achieved through evaluating the forms of state interventions by ‘developmental states’, including through nationalisation, and evaluating other factors influencing such interventions in the context of maximising the growth, development and employment potential embedded in mineral assets.

2.2 While all these aspects are certainly important, it is clear that the centrality of the consensus of the 3rd General Council on nationalisation had now been buried into a myriad of issues that could be tackled in a separate study. In the context of the SIMS report, the consensus on nationalisation relates to ownership and control of the mining and not on how these mines can be used to establish economic linkages, important though this may be. The fundamental question that was raised in the 3rd NGC was the property question, in relation to the mines and other strategic sectors.

2.3 The SIMS report attempts to evade the property question by stating that, “this resolution was more encompassing than the matter of nationalisation of the mines only” (p.2, par. 1). Yet, the consensus of the 3rd NGC, which led to the very same

SIMS research, was on the nationalisation of the mines and other strategic industries.

2.4 It is our view that most of the proposals that are contained in the SIMS report are conceptually irrelevant to the question of property relations in the mineral sector. For example, the establishment of economic linkages, so well articulated in the document, can conceptually be implemented by both a nationalised mining sector and a private dominated mining sector. Nobody can oppose the need to build knowledge around minerals, improve education, promote a spatially inclusive infrastructure development, contribute to the national fiscus, etc. All these issues can be addressed easily within the context of a nationalised mineral sector too. Concretely however the call for nationalisation goes beyond the technicist and economic approach that informs the SIMS report, it is about addressing the political economy of South Africa.

2.5 Our view is that the focus of the SIMS report does not address the core mandate of the 3rd NGC. In p.11 the report describes the various forms in which the state owns mines. Then in p.13 the report documents a number of countries and their corresponding structures of state ownership of the mining sector. However, the report then summarily dismisses any idea of the state acquiring ownership of existing mines on the grounds of affordability, litigation against the state by those who would have been expropriated, capital flight, etc. The SIMS report then says: "This study proposes that we rather investigate the desired outcomes of state control, in terms of rent share, growth and development, and make targeted interventions to achieve such outcomes" (Point 2.1.1, p.28). The report thus discards the consensus of the 3rd NGC and thereby sets its own terms of reference.

2.6 What we had expected from the SIMS report is an elaboration of the models of state-ownership that are described in p.11 and their pros and cons. We had expected that the SIMS report, given the fact that the mining sector is made up of different minerals, whose mines operate under different conditions of production, and whose economic significance in the national and global economy is also different, would advise on the best form of state ownership for each mineral. The SIMS report should have outlined which minerals are strategic or critical and ranked them and on that basis, advised on the best way through which the state can own the associated mines. As it stands, the list of state ownership models that are described in p.13, which should have been the core of the report, has been rendered irrelevant to the rest of the report which, though important, is outside the consensus position of the 3rd NGC. The issue of whether nationalisation, of whatever form, is possible, disastrous, etc. is a matter that is beyond the terms of reference.

2.7 Lastly, the SIMS report dedicates a lot of time elaborating on its proposal of a resource rent tax (RRT). However this proposal would be relevant had the 3rd NGC failed to reach consensus on nationalisation. In fact ALL the proposals that are contained in the SIMS report presuppose that the democratic movement accepts the dominance of private, white and black monopoly capitalist ownership of the mines. This obviously runs against the policy positions of COSATU. In

addition, it also runs against the core revolutionary perspective of the ANC, as encapsulated in the 1969 Strategy and Tactics, which maintained: “To allow the existing economic forces to retain their interests intact is to feed the root of racial supremacy and does not represent even the shadow of liberation”. The past 18 years bear testimony to this observation.

3. Where We Agree

3.1 The SIMS report correctly poses the question: “How do we maximise the developmental impact of our substantial mineral assets whilst still extant” (p.4, par.11). This question is important because any policy formulation and development needs to finally boil down to this question. As the document on Organisational Renewal succinctly reminds us of what Amílcar Cabral said: “Always bear in mind that people are not fighting for ideas, for the things in anyone’s head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future for their children”.

3.2 We agree with the SIMS report on the following areas:

- a. The general thrust of the critique of current mineral policy
- b. The need to build mineral economic linkages (Point 14, p.6)
- c. Governance e.g. Improving Geological Survey Capacity SMC
- d. The strategic role of the Minerals-Energy Complex

3.3 The SIMS report provides a coherent critique of current policies relating to the minerals sector. For example the document notes that “mineral resources governance in South Africa is seriously compromised by the lack of coordination and strategy alignment between the Departments of Mineral Resources and of Trade and Industry which has probably been the main reason for the lack of progress in realising the backward and forward linkages and their job-creation potential” (Point 2.2.1, p.30). We agree with this point. Nevertheless we have to add that this problem cannot surely be attributed only to co-ordination problems in the state. The more fundamental problem remains the economic power relations that inform state policy towards the mineral sector. A more comprehensive critique would also locate the shift away from the radical demand of the Freedom Charter towards neo-liberal constitutionalism within the context of the reconfiguration of class balance of forces within the movement, as evidenced by the 1994 Draft Mineral Policy of the ANC. In that Draft Policy document, the demands of the working class were simply reduced to improving conditions of work and hostels, whilst some ownership would be transferred to the Black elite⁵. This approach was thought to be more “equitable and efficient” than nationalisation!

3.4 The SIMS report argues that “mining should be integrated with the rest of the economy through developing the crucial mineral linkages sectors and investing in geo-survey” (p.8, par.17). We obviously agree with this point. But we wish to underline that this point too needs to be explained within the context of the

⁵ Interestingly, the SIMS report approvingly and glowingly refers to this disastrous Draft Mineral Policy document.

dominant class forces that control the mineral sector. This sector is pervasively foreign-owned and is also deeply embedded in the global networks of monopoly capital. The failure of the minerals sector to be integrated with the rest of the economy is thus a function of the class forces that manipulate the mineral sector.

3.5 The powerful and strategic role of the Minerals-Energy Complex (p.6, par's 12—13) is clearly acknowledged in the SIMS report. An important point that the SIMS report makes is that any serious National Development Strategy must put the Minerals-Energy Complex at the centre. We fully agree with this view. However, it would have enriched the analysis had the SIMS report outlined the ownership trend of the MEC. In our own analysis, we found this complex to be increasingly foreign-owned and has, thanks to liberalisation, increasingly de-linked itself from the domestic industrial base. In other words, the capital import intensity of the MEC has significantly risen since 1994 and this has been accompanied by an unabated trend of de-industrialisation and job-losses in the productive sectors of the economy.

4. The Mining Sector as a Critical Monopoly Industry That Should Be Transferred to the State

4.1 The Freedom Charter states that “the mineral wealth beneath the soil, the Banks and monopoly industry shall be transferred to the ownership of the people as a whole”. Generally within the democratic movement, the idea of “monopoly industry” has been understood in a broad sense to mean industry that is dominated by a few large firms, sometimes referred to as “conglomerates”⁶. This is in contrast to the conventional definition of monopoly as a “single producer”; the general understanding in the movement is that “monopoly industry” refers to both monopoly in a strict conventional sense and what is called oligopoly (a situation where a few large firms dominate production). Monopoly industries are thus understood to exhibit a high degree of concentrated ownership and account for a large portion of national production⁷.

4.2 The SIMS report does not quote the relevant Clause of the Freedom Charter in full. Its quotation reads: “the mineral wealth beneath the soil...shall be transferred to the ownership of the people as a whole”. The report then concludes with a view that under the MPRDA, “all privately owned mineral resources were transferred to the state”. Yet, the report fails to see that the mining sector is actually heavily monopolised; it is “monopoly industry”. The extent of this monopoly domination is now well known and acknowledged as a global phenomenon. For example in relation to iron ore, the Raw Materials Initiative document of the European Commission reports that “just three producing companies now control about 75% of the seaborne trade in iron ore”⁸.

⁶ Ready to Govern, African National Congress, 1992.

⁷ In his description of the transformation of competition into monopoly, Lenin (1916) adopts the same view when he states: “...at a certain stage of its development concentration itself, as it were, leads straight to monopoly, for a score or so of giant enterprises can easily arrive at an agreement, and on the other hand, the hindrance to competition, the tendency towards monopoly, arises from the huge size of the enterprises” (Imperialism, p.15).

⁸ Draft Beneficiation Strategy of Metallic Minerals, National Union of Metalworkers (NUMSA), February 2012, p.40.

4.3 In South Africa the degree of monopoly in iron-ore production is even worse. As of 2008, Kumba Iron-Ore accounted for 78% of iron-ore production in South Africa, followed by Assmang with 14%. Manganese production is dominated by two companies: Samancor (54%) and Assmang (46%). The production of Platinum Group Metals is dominated by three companies: Anglo-Platinum (54%), Impala Platinum (25%) and Lonmin (14%). These are just a few examples to demonstrate that the mineral production industry is in fact a monopoly industry. The processing of the raw minerals is also highly monopolised on a global scale, and is often not located in countries where the raw minerals originate. For example, despite South Africa accounting for almost 90% of global Platinum production, the processing and further manipulation of the Platinum Group Metals is owned and controlled by only three companies globally. All these three companies do not have South African ownership.

4.4 Not only is the mineral sector monopolised globally and nationally, it is also widely recognised to be critical to industrial development and job-creation. This point is made clear by the European Commission: "Sectors such as construction, chemicals, automotive, aerospace, machinery and equipment sectors which provide a total value added of € 1 324 billion and employment for some 30 million people all depend on access to raw materials". Besides the high concentration of production of metallic minerals in particular countries, e.g. Platinum Group Metals being concentrated in South Africa and to a less extent Russia, the European Commission also notes that the focus by some of the emerging industrial economies on industrial policy is likely to starve Europe of these critical and scarce minerals: "Increasingly, many emerging economies are pursuing industrial strategies aimed at protecting their resource base to generate advantages for their downstream industries".

4.5 Now, the SIMS report approvingly and indeed correctly, understands the "transfer to the ownership of the people as a whole" to mean "transfer to the state", which by extension means the "mineral wealth beneath the soil" has already been nationalised. But the Freedom Charter further uses the general concept of "monopoly industries" to signal the types of industries that should be "transferred to the ownership of the people as a whole". It is in this aspect that the SIMS report is inadequate as a study that seeks to realise the demands of the Freedom Charter. Given that the mineral sector is highly monopolised and is extremely critical, it follows that the SIMS report should have investigated ways in which this sector should have been transferred to the ownership of the people as a whole, rather than consoling itself with the MPRDA. The limitation of thinking that the MPRDA provides a sufficient foundation to dismiss nationalisation of the mineral sector will be outlined in Section 5.

5. Where We Disagree

5.1 We do not agree with the following issues in the SIMS report:

- a. Nationalisation would be an unmitigated economic disaster for our country and our people (Point 1, p.28).

- b. Nationalisation of mineral assets was realised through the MPRDA (2002) (Point 2, p.28).
- c. Amendment of the Mining Charter to include state holdings in new B-B BEE equity targets of 30%
- d. The proposal of a super-economic ministry to facilitate coherent governance of the Minerals-Energy Complex
- e. Granting of Mineral Rights through a public tender
- f. The formulation of the Resource Rent Tax is extremely problematic

We think that these issues constitute the core proposals in the SIMS report. The rest of the proposals can be easily implemented with a nationalised minerals sector. For example, the manner in which the revenues from minerals are to be deployed can be decided within the context of a nationalised minerals sector, and whether the mining sector is nationalised or not does not affect the appropriateness or not, of the proposals that are made in the SIMS report.

5.2 In relation to nationalisation bringing unmitigated disaster, the SIMS report says: “Nationalisation *without compensation* would require a Constitutional change and would result in a near collapse of foreign investment and access to finance, as well as widespread litigation by foreign investors domiciled in states that we have trade and investment (protection) agreements with, which would ultimately likely result in the payment of compensation, all the same. This route would clearly be an unmitigated economic disaster for our country and our people” (Point 2.1.1, p.28). Thus the SIMS report discards nationalisation as infeasible. There are at least three problems with this statement.

5.3 Firstly, it does not offer an opportunity for the movement to learn how the nationalisation of a strategic sector such as mining, has contributed to the development of fast-growing economies such as China, Vietnam, India, Brazil, etc. Point 25 in p.12 provides the reasons for state-ownership (read participation) in the mineral sector in a very condensed way and thus robs the movement of an opportunity to learn how exactly state-ownership rather than private (or even foreign) ownership, could be a suitable arrangement to support social and economic development. In India, more than 70% of the value of mineral production is undertaken by state-owned enterprises. Similarly, as the SIMS report states, Brazil’s state-owned Vale is globally competitive and so has been Chile’s CODELCO’s. Even the World Bank’s Raw Materials Group report notes that “state-ownership of a mining company is not necessarily a bad thing”⁹.

5.4 Secondly, the SIMS report does not engage with the reality that the movement has been debating for quite some time the need for a Constitutional review. In the case of COSATU, there is even a resolution from the 9th Congress that proposed a Constitutional Review Conference to exactly with property clause and other clauses that inhibit the implementation of the Freedom Charter, especially its third and fourth clauses. Currently the ANC itself is seized with the same issue and so is the SACP. In other words, given the political convergence within the Alliance on the need for a constitutional review, the time is propitious to advance precisely

⁹ Overview of State Ownership in the Global Mineral Industry, World Bank Raw Material Group, 2011, p.33.

the constitutional change that the SIMS report alleges is required. In any event, this issue is clearly of a political nature and thus lies outside the scope defined by the 3rd NGC consensus on nationalisation. Once again, rather than veer off to discard the core mandate from the NGC, the SIMS report should have focused on the various models of state-ownership that are suited for specific minerals, a task that it never undertakes¹⁰.

5.5 Thirdly, the SIMS report claims that if nationalisation is adopted, it would lead to “near collapse of foreign investment”. This is the same old scare tactic that was used to terrify the democratic movement away from its radical programme. In response, we have to just mention the nature of the minerals that South Africa can have a high level of monopoly power in global markets do not have substitutes, others are difficult to substitute and are extremely difficult to recycle. For example, South Africa produces almost 90% of global Platinum Group Metals and has almost the same level of reserves. In addition, South Africa has the overwhelming reserves of the most economically significant and difficult to substitute minerals: South Africa is estimated to hold 80% of global chrome reserves, 80% of manganese ore reserves and accounts for at least 35% of global vanadium production. In technical economic terms, the global demand for the minerals in which South Africa leads is highly inelastic, because there are no substitutes and recycling is extremely difficult. Because the minerals that South Africa has global market power in have the highest economic significance and they are not substitutable, it follows that a “collapse in foreign investment” would entail a significant collapse in global industrial production.

5.6 Litigation by foreign owners of the South African economy is a reality. There is indeed an on-going war over raw materials between states, particularly those in the periphery of the global capitalist system, and multinationals, wherein countries that seek to optimise the development and public welfare impact of their natural resources being taken by multinationals to international courts¹¹. Nevertheless, this is a political issue that the democratic movement will have to address. Indeed, if this is to be a deterrent to implementing the Freedom Charter, then the movement has to mobilise a broad mass of social forces to re-assert the right of South Africa to economic self-determination. This danger of foreign ownership and the impact that this will have on the independence of South Africa, are some of the reasons why the SACP (1962) called for nationalisation of the mines.

5.7 The SIMS report says nationalisation has been realised through the MPRDA. However we have shown that this position is not sufficient to address the demands of the Freedom Charter. Indeed, the minerals beneath the soil belong to the state, but in that condition they are useless. Minerals become useful to production once they are mined, i.e. once they are above the soil. This is, minerals become wealth once they perform certain social functions. That is why the discussion is not simply about the nationalisation of the minerals beneath the soil, which the MPRDA has done. The discussion is about the nationalisation of mineral *wealth* beneath the soil and monopoly industries. The concept of wealth

¹⁰ The overwhelming consensus among ANC structures and its Allies on the nationalisation of the mines can be easily ascertained from the video archives of the ANC 3rd NGC.

¹¹ Draft NUMSA Beneficiation Strategy, p. 7.

is a social one, which does not operate in the belly of the earth, in the earth's crust, it operates in society, which is naturally habiting the space above the soil. It is with this understanding that COSATU demands the nationalisation of the mines, because these mines are the means of production that are used to realise the wealth that is embedded in the minerals that are beneath the soil.

5.8 We do not agree with the view that state-ownership should be put on par as similar to B-B BEE. The SIMS report proposes that private Black ownership and state ownership combined be targeted to be 30%. But this means that white monopoly capitalist ownership continues with 70%, 20 years into the democratic order. This is completely unacceptable. In any event the Freedom Charter does not call for private Black ownership of the mineral wealth, banks and monopoly industries. The Charter says private enterprise will be promoted, where it does not conflict with the public interest, in all other industry which will be controlled to assist in the well-being of the people. The proposal by the SIMS report is also unfortunate because it projects the South African state as a Black state, whose ownership can be substitutable with the ownership of groups of individuals or individuals, who are Black. Not only is this against the Freedom Charter, it is also against the revolutionary perspective of the movement, as encapsulated in the 1969 Conference Strategy and Tactics of the ANC. It also narrows the authority and representation of the democratic state in the economic sphere to purely represent a section of the population and not others. In this instance, the SIMS report adopts the standpoint of white, racist, monopoly capitalism.

5.9 The proposal of the super-ministry is likely to be a bureaucratic nightmare. The SIMS report itself presents a complicated governance structures with multiple layers of authority to deal with various aspects of the minerals sector. To add on top of this the management of public enterprises, infrastructure and industrial policy will severely overburden the super-ministry. Rather what is required clearly is the need to have a state-mining company in whose board should sit representatives from different ministries. In addition there needs to be more policy coherence and co-ordination of interventions between spheres of government and across departments. Cabinet is the appropriate platform to regularly monitor and evaluate the effectiveness and the degree of co-ordination of interventions. To create a super-ministry in the way the SIMS report suggest would be an administrative nightmare just as the proposal itself is complicated.

5.10 We obviously do not agree with the proposal of granting mining rights to private companies. Instead we would rather have the State Mining Company own all mining rights and on that basis, decide in an optimal way, within the context of an overall mineral development strategy, the form and substance of joint ventures if they are necessary. The SIMS report only takes the issue of property relations in the mining sector to this level and not beyond. On the basis of these tenders, the SIMS report then attempts to develop a myriad of administrative tools to maximise the developmental impact of mineral resources.

5.11. By rejecting the concession of mining rights to private capital we, to some extent, render the discussion of a resource rent tax irrelevant. However it is of interest to highlight the serious weaknesses of linking resource rent tax to the

bond rate, especially in the context where COSATU opposes inflation targeting. The “resource rent tax”, is defined in the SIMS report as the gap between the rate of profit of the mines and bond rate plus 7%. The problem arises as follows: in the extremely deregulated financial market like South Africa’s, the bond rate is primarily driven by what bond markets think future inflation will be. If bond markets expect inflation to be high, the bond rate will go up in order to compensate for the expected loss in the purchasing power of the bond payments. This will in turn raise the threshold for the “resource rent tax”.

5.12 The implication of this is that in order to increase the size of the “resource rent tax”, or to increase the probability of the state collecting “resource rents”, expected inflation must be low enough so that the rate of profit of the mines lies above the bond rate plus 7%. What the “resource rent tax” does is therefore to wire the desire to extract resource rents to low inflation, i.e. to inflation targeting. The danger of course, is that the extraction of “resource rents” in this case will be tied to low inflation and is likely to militate against the required shift in macroeconomic policy. In short, the way the resource rent tax is formulated is such that what the capitalists lose in the mineral sector they gain in the bond market.

6. Conclusion

6.1 As COSATU, we need to reiterate our resolutions about the Freedom Charter. COSATU should maintain the position that the mines, banks and monopoly industry must be nationalised. This is the only way in which the power of white monopoly capital can be broken, without propping up the Black bourgeoisie to have its hands on these critical sectors.

6.2 We must delegitimize all the Black Economic Empowerment deals that have occurred, and continue to occur, in the mineral sector, the banks and monopoly industry as a travesty of the Freedom Charter. The “people as a whole” cannot be represented by the Black elite. The Black elite, has no authority whatsoever to represent the people as whole. Only a democratic state, because it is based on the will of the people, can justly claim authority to represent the people as a whole in every sphere of social activity, including in the ownership and control of critical industries of the economy.

6.3 While we re-iterate our policy position on the nationalisation of the mines, banks and monopoly industries, we should also strive to ensure the hegemony of a working class interpretation of the Freedom Charter. In order to do so, we need to expose and fight against the rightwing, revisionist interpretation of the Freedom Charter and in the process, provide a consistent and clear articulation of our policy stance on nationalisation in particular, and economic transformation in general. In this regard, we need to implement our resolution which called for a clear outline of the political economy of the national democratic revolution.

6.4 Beyond the nationalisation of the mines and other strategic industries, we need to pursue our 10th Congress resolution that “Government must seek to transform the shareholding of Multinational Companies or foreign companies in South Africa so that their shareholdings make up less than 51%. Foreign shareholders must

bring productive benefits to the company”. This resolution is extremely important, serious countries such as Vietnam limit foreign ownership and thereby protect their balance of payments, secure their independence from imperialist domination. In some sectors, especially the banking sector, foreign ownership is even more stringently limited. This aspect of our transformation programme should not fall by the way side.

On SOEs and DFIs

1. Noting that:

- 1.1 The ANC has released a discussion paper on State Owned Enterprises (SOEs) and Development Finance Institutions (DFIs) for its policy Conference in June 2012. The ANC discussion paper defines its key objective as *“to ensure that state-owned commercial entities operate as powerful instruments of economic transformation and remain firmly within the control of the state in order to have the capacity that is capable of responding effectively and efficiently to the developmental agenda of the ANC”*.
- 1.2 The paper contends that the global economic and financial crises in the past three years show that capitalism *is at cross roads and that “various state capitalism initiatives, across the globe within the emerging markets sphere, have given credence to the postulation of such a system being a viable alternative to the traditional notion of liberal capitalism”*.
- 1.3 There are about 590 publicly-owned commercial entities and DFIs, which includes their subsidiaries, at the national, provincial and municipal levels of government. In 2010 the President of the country established the Presidential Review Committee on SOEs and DFIs (PRC) and its final report is yet to be released.
- 1.4 The ANC discussion paper identifies various challenges faced by the SOEs and DFIs which include the following:
 - Lack of a clear agenda for SOEs and DFIs
 - Poor alignment with government policies
 - Tension between the interests of the public and the enterprise itself
 - Disjointed good governance and performance management
 - Conflict and duplication
 - Non-compliance with the PFMA, and Municipal Finance Management Act at the municipal level
 - Lack of a structured and obligatory process through which government as the owner and shareholder periodically review the relevance and significance of SOEs
 - Capacity to provide oversight
 - Lack of sound governance by the boards
 - Inadequate funding

- 1.5 The discussion paper makes the following proposals in relation to the governance of SOEs and DFIs:
- The ANC to clearly define mandates and set measurable objectives for each SOE/DFI and create a common framework in shareholder management
 - Establishment of an overarching policy as well as the necessary legislation which would address the governance issues such as defining and standardising the relationship between the executive and the entities themselves
 - Establishment of a DFI council
 - Recognise the role the Presidential Infrastructure Coordinating Committee should play in identifying projects to be led by the SOEs and DFIs
 - Where necessary government should separate policy departments from overseeing SOEs and DFIs to mitigate the potential conflict of interest between the policy department's focus on developing an industry for the benefit of the consumer from the needs of their enterprise
 - There must be an adequate coordination of shareholder oversight into as few as possible specialised oversight departments or agencies so as to optimise portfolio synergies across SOEs and create a national centre of excellence in shareholder management
 - ANC to develop a governance model for DFIs and SOEs with respect to Boards of directors and their roles must ensure enhancement and protection of shareholder interest as well as support state activism
 - Boards require competencies and public sector ethos to effect the identified developmental mandates efficiently
- 1.6 The paper calls on SOEs and DFIs to collaborate through public-public partnerships to implement strategic programmes identified by government. However, the paper places much emphasis on public private partnerships in capital infrastructure.
- 1.7 The paper proposes the following funding options for DFIs and SOEs:
- State Funding
 - Cost Recovery
 - Capital Markets as a last resort
 - Retirement Funds and Insurance
 - Creation of the National Competitive Fund resourced by tax on export of steel and scrape metal
- 1.8. The paper has the following weaknesses
- (a) The document set itself an ambitious scope to “cover all publicly-owned commercial entities and/or SOEs & DFIs; parastatals in all spheres of government; national, provincial and municipal entities as well as other state institutions that operate in any other commercial manner not

covered by the aforementioned.” Yet, it is essentially narrowly focused on the major national SOEs and DFIs and even so at a high-level or in general terms.

- (b) This limited scope of the document is also reflected in its failure to engage the government’s review of the DFIs and the adopted programme for the rationalisation of DFIs” in line with the findings of the DFI Review Commission. This includes aspects of the NGP and NDP dealing with both the SOEs and DFIs.
- (c) There is a need for a proper and specified attention to be paid to the challenges facing particular types of SOEs and DFIs such as those that are business enterprises competing with the private sector like SAA or Telkom and others that are monopolies in their sectors such as Eskom, Water Boards, etc. especially those whose mandate is related to the delivery of public services.
- (d) Whilst there is some reference to the democratic developmental state, there is a failure to locate the discussions over the SOEs and DFIs within a proper context of building the Developmental State in a manner that encompasses the SOEs and DFIs as part of a wider public sector that integrally and seamlessly works with the public service. In this context, agencies that are actually performing line functions of public service departments such as SASSA need to be redirected and reabsorbed back to the public service and there should be an end to agencification and outsourcing in line with resolution of the Alliance Summit of May 2008.
- (e) In the main this failure to locate the discussion on the SOEs and DFIs in a substantial manner within the context of the democratic developmental state is informed by the document’s attitude towards GEAR, as reflected by its claim that the ANC began its incumbency in 1994 intending to embark on privatisation and that GEAR was more of a detail strategy that was located within the framework of the RDP.
- (f) Despite the talk of the democratic developmental state, the persistent features of a Neoliberal state, especially with regard to the delivery of municipal service are not addressed in the document, e.g. with regard to water and electricity in which the relevant SOEs continue to operate in terms of Neoliberal costs-recovery logic.
- (g) The document claims that “SOEs & DFIs are challenged with trying to strike a balance between the interests of the public and the enterprise itself.” The conference rejects this artificial binary as it reflects an inherent confusion underlying this document – which is caught between an aspiration for a democratic developmental state and the persisting logic of a Neoliberal or regulator state. SOEs and DFIs cannot have their own “commercial interests” that are separate or that stand in contradiction with “the interests of the public” in the context of a developmental state.
- (h) The document need to consider the key institutional and operational challenges facing these institutions such as transformation, employment equity as well as the outsourcing of many of the internal operational functions.

(i) Nonetheless, the document makes some proposals that we support in principle such as:

- The need for a SOEs/DFIs Council to coordinate their activities within an overarching policy. However, there is need for clear proposals on the lines of accountability in relation to the executives and Parliaments as well as the composition and representativity of the boards of these institutions.
- Even though there is some reference to public-public-partnerships, the document unduly emphasises public-private-partnerships. We reject the ppps (i.e. involving the private-sector) and there is a need for a review of the current policy framework and public-private-partnerships unit within the Treasury.

2. Believing that:

- 2.1 The task of fundamental transformation of our economy, the creation of decent work and the provision of basic services to the majority of our people cannot be left to the market forces. For all this to happen there is a need for strong developmental state to intervene decisively in the economy to redistribute resources in order to address unemployment, inequalities, poverty, and rural-urban development divide. The transformation of SOEs and DFIs must be informed by this key strategic objective.
- 2.2 While COSATU should support the general orientation of the ANC discussion paper, there are areas that need more elaboration. There is a need for further details on the review done by government on DFIs and the programme it adopted for their rationalisation; as well as on the proposals by the New Growth Path and National Development Plan on SOEs.
- 2.3 The PRC report on DFIs and SOEs would have gone a long way in enriching the ANC discussion paper. The DFIs and SOEs indeed face serious challenges identified in the discussion paper. However one of the key challenges not identified in the paper relates the tendency to use consultants extensively and the possible corruption that goes with that. The utilisation of consultants in many instances amounts to the extension of the sunset clause as most the former officials in the SOEs and DFIs are used to execute responsibilities of these entities.
- 2.4 While the discussion document correctly indicates that the adoption of GEAR in 1996 promoted privatisation of state owned assets, it fails to highlight the impact privatisation, in various forms, had and continues to have on the provision and affordability of basic services.
- 2.5 While privatisation stalled since 2005, it has been replaced by a tendency by government departments to create agencies to do what has historically been the mandate of those departments, a phenomenon known as agencification.

The ongoing crisis in relation to the funding of the Gauteng Freeway Improvement Project perfectly puts the spotlight on agencification. Although this practice does not entail outsourcing to the private sector, it fragments the state and thus has a potential of weakening its capacity.

- 2.6 The infrastructure SOEs like Eskom, Telkom and Transnet are monopolies and their revenue is regulated by institutions like NERSA and ICA SA. However, their proposals for tariffs increases almost always get a green light from these regulatory institutions with dire consequences to the economy and affordability of the services they provide. This is why it is not enough to strengthen the boards of SOEs and DFIs, but to also ensure the transformation of these 'independent' regulatory institutions.
- 2.7 There are three ownership models followed by governments generally. These are the centralised model, decentralised/sector model and the dual model. The current South African model can be said to be hybrid; it has elements of dual and decentralised models.
- 2.8 The reliance of the SOEs and DFIs on public private partnerships in capital infrastructure programmes has resulted in the state taking more of the risk involved in the projects while the private sector takes less risk. The cost-recovery approach in the delivery of basic services has resulted in higher prices for these services and in the processes the majority of the workers and the poor get excluded.

3. Therefore resolve:

- 3.1 To reaffirm COSA TU resolution on a need for strong developmental state to intervene decisively in the economy to redistribute resources in order to address unemployment, inequalities, poverty, and rural-urban development divide; and the transformation of SOEs and DFIs in line with this key strategic objective.
- 3.2 That in keeping with the spirit of the decision to form DFI Council and the Presidential Infrastructure Coordinating Council, there is a need to move toward a centralised approach of managing the state assets to ensure maximum coordination.
- 3.3 To support the governance proposals contained in the discussion document. However it is important to ensure that workers do get represented on the boards of SOEs and DFIs.
- 3.4 To call for the strengthening of the boards 'independent' regulatory institutions like NERSA and ICA SA to ensure that these institutions do act according to the strategic objectives the country has set itself.

- 3.5 To support the call by paper on SOEs and DFIs to collaborate through public-public partnerships to implement strategic programmes identified by government.
- 3.6 To reject the over-reliance of the paper on public private partnerships in capital infrastructure programmes. To call for a review of all existing public private partnership to ensure that the state does not carry more risk than the private sector.
- 3.7 To reaffirm the May 2008 Alliance Summit's call for a moratorium on privatisation and outsourcing and the review of current outsourced public sector utilities. This means that the agencies created must be reincorporated back into their line departments and this must be accompanied by the strengthening of the capacity of these line departments.
- 3.8 To call for the reorientation of DFIs to ensure that they do not operate like commercial banks but advance the objectives of transforming the economy.
- 3.9 To reaffirm the COSATU resolution on the renationalisation of the SARB and to use the opportunity presented by the policy conference to pursue this resolution.
- 3.10 To call on government as the shareholder to ensure that SOEs do live up to their mandate and must lead by example. Accordingly, the SOEs must
- Channel more resources towards labour intensive sectors of the economy
 - Provide decent work, eliminate outsourcing, do not use labour brokers and eliminate precarious work
 - Procure inputs from local industries in support of IPA P2. If they procure from foreign firms they must put in place provision for skills and technology transfer to local firms
 - Play a leading role in revitalisation of rural economies through economic and social infrastructure provision
 - Lead in skills development through bursary schemes, partnerships with relevant institutions, targeting those located in rural areas and former Bantustans; and provide internships for experiential learning
 - Support research and development of new technologies to promote cost-effective ways of producing and to benefit downstream industries
 - Eliminate the profit motive from the delivery of infrastructure, by directly delivering infrastructure, basic goods and services to the economy and communities- this means building internal skills.
 - Produce strategic inputs for industries: water, electricity, steel and other metals, cement and chemicals
- 3.11 To support the funding options for FDIs and SOEs as presented by the paper; except the cost-recovery option. In this regard COSATU reaffirms its resolution on prescribed assets for the funding of infrastructure programmes; and the introduction of progressive taxation.

On the Gender Paper

Noting

1. Progress made by the ANC towards creating a non sexist society, and transformation within the organization
2. Achievement in prioritizing the policy of 50-50 gender representation in the structures and organs of the state
3. The lack of further pursuing the 50-50 representation in leadership in key decision making structures and at all levels within the organization
4. The progress by the alliance partners to increase women representation in decision making positions

Believing

Gender equality is a fundamental human rights and essential prerequisite for the achievement of an equitable society,

The transformation of patriarchal gender relations

Therefore Resolve

1. To call for the policy position on the 50-50 women representation in decision making structures to include all levels of leadership positions.
2. ANC as the leader of the alliance to make a strong call on the alliance partners to translate this progress into concrete by adopting concrete policy position on women representation in key leadership positions.

Women and the Economy

Noting

1. The paper identifies the stark inequality as a result of the gender division still persist and where women are located,
2. The paper identifies achievements of ratified UN Convention which promotes gender equality, however falls short of raising labour specific convention,
3. The paper acknowledges the need to work towards ensuring that women make up 50% beneficiaries of targets for jobs creation, as projections for the industrial Policy Action Plan on direct and indirect decent jobs
4. The proposal that 50% of beneficitation of the job fund and skills development must be women,

5. The paper acknowledges that the new growth path which holds great promise for the
Up-liftment and economic empowerment of women,

Believing

1. In the sustainable, equitable and inclusive economic growth path,
2. That the lack of employment opportunities and the absence of an independent source of income means that women become economically dependent on their spouses and this results in them being vulnerable to gender based violence,

Therefore Resolve

1. Call on the government to also ratify international instruments that promote gender equality in the workplace, in particular the ratification of the International Labour Organization (ILO) Conventions in particular convention 183 (Maternity Protection) and Convention 189 (Decent Work for Domestic workers),
2. That the industrial policy action plan regarding the creation of jobs to include the strategy to ban labour broking and to work towards strengthening of the formalization of work in order to achieve the creation of decent work.
3. The approach to the achievement of 50% women beneficiaries for skills development targets should ensure the inclusion of the lowest category of workers and must lead to career progression for them. Including women with disability and youth,
4. We affirm the call expressed by the document to ensure that the content of the new growth path is engendered.

Society Security

Noting

1. Social security is not just a concern of women, children, the elderly and persons with disability associated with the reduction of poverty but should also be a concern for women in the formal and informal employment,
2. Social Security should offer the protection for women workers in terms of their basic conditions of work,
3. Social security systems offer no form of income support to indigent and unemployed people unless they are disabled or have reached their pensionable age,
4. The existing inequalities in the gender distribution of paid and unpaid work to the disadvantage of women,

5. Those women utilize their Unemployment fund for maternity leave, to cover the lack of paid maternity leave,

Believe

1. Comprehensive social security is a government responsibility given the high levels of unemployment and poverty, in particular the feminization of poverty,
2. The majority of women were grossly affected by the discriminatory practices of the past given their previously disadvantaged status,
3. Women are entitled to the UIF benefits equally with their male counterpart,
4. That the utilization of the UIF for maternity purposes disadvantage women at a later stage, when they are retrenched and or unemployed therefore are indirectly discriminated,

Therefore Resolve

1. To call on the ratification and or the strengthening of the implementation of the ILO Convention 183 on maternity protection for women not covered by the conditions of work covered by the labour relations provisions,
2. To propose for the establishment of the women's fund that will support women's business initiatives and address their challenges related to access (Finance, Land) based on the requirements that are suitable to women, especially rural women,
3. Propose the provision by government of a localized, quality, accessible public early childhood development systems that would benefit the working class and the poorest of the poor and that would relieve women's burden to unpaid work,
4. To call for the creation of a maternity fund separate from the UIF, which caters for all women in public, private, informal and migrant workers.

Cooperatives

Noting

1. The paper reaffirms the need for the development of an institutional environment including the establishment of an academy to train cooperatives and the advisory board,
2. Cooperatives have a political role to play in the economic struggle to build democratic control of production and distribution,

3. Since the April 1994 democratic breakthrough, a new wave of cooperatives associated with the trade union movement and the broader democratic movement has emerged as a response to the huge problems of unemployment and retrenchments, financial exclusion of workers and the poor by financial capitalist institutions, homelessness and the rising costs of basic foods and household items, exacerbated by the economic crisis.

Believing

1. Cooperatives have a distinct identity which is defined by its principles and values of democratic cooperative governance which is different from the capitalist and other types of enterprises,
2. Cooperatives are key elements and monuments for building working class power,

Therefore resolve

1. The support of fast tracking of the establishment of an academy to train cooperatives and the advisory board with a special focus on women as beneficiaries should include retrenched workers,
2. The cooperatives advisory body should work closely with trade unions and women's and include them as stakeholders in the advisory body so that retrenched workers are covered,
3. To work towards the establishment of the academy to train cooperatives, entrepreneurship and those that they want to venture the world of business, in particular those who are funded,
4. The cooperatives advisory body should work closely with trade unions and women's movement and include them as stakeholders in the body to represent the interest of retrenched workers.

Education

Noting

1. That women constitute the majority in the teaching profession,
2. The remuneration in education is also not commensurate with the challenges that comes with the job such as school violence, endemic local crime which often spills into the school, etc, thus limiting the attractiveness of the profession, particularly for young men who have the opportunity to further their studies and to develop their profession,
3. The varied backgrounds of learners informed by their economic status in particular the trappings of poverty,

4. The zero rating of sanitary towels as presented by the paper.
5. Women managers face severe challenges given the patriarchal tendencies that hinder the maintenance of a desirable school ethos, given the resistance for the ascendance of women to management positions

Believing

1. We believe (contrary to what the paper purports) that women teachers do experience discrimination, with regard to accessing jobs and promotion in the education system, despite them being the majority in the profession.
2. The notion that the importance to improve the quality of learning which affects the learning outcomes of learners and in turn impacts on the gender relation and gender equality generally,

Therefore resolve

1. To call for the department of education to provide special monitoring and support systems in schools especially those headed by women as managers, to address the challenge of school violence and endemic local crime,
2. To propose the provision of free sanitary towels to learners that are needy in all schools,
3. Call for the training and development of school managers and governing bodies to focus on the transformation agenda desirable for the realization of employment equity.

Prostitution and trafficking of women

Noting that

1. The paper addresses itself to the issue of prostitution simultaneously with the issue of trafficking of women,
2. Prostitution is illegal and regarded as a criminal offence,
3. Sex workers are not protected and grossly affects women who are mostly targeted for apprehension by police whilst the clients mostly men are not affected by the law ,
4. We note the position outlined by the paper on the possible law reform approaches to prostitution as provided for in the SA Law Reform Commission

issue paper on sexual offences that provides with model options, namely the criminalization, regulatory and total decriminalization,

5. This makes sex workers vulnerable to abuse and to be judged differently by communities,

Believe

1. Prostitution regarded as sex work is on the increase and is informed by the current economic challenges particularly the high level of poverty, unemployment and gender inequalities, which are factors driving this industry and offering little chance of income earnings for people, particularly women.

Therefore resolve

2. To separate the two, namely prostitution and trafficking of women although they are related and informed by the same economic conditions, particularly the economic status of women,
3. To work towards the promotion of the right to dignity for all sex workers and therefore encourage to discuss the option model of decriminalization as spearheaded by the SALRC,

Safety and Security of Women: Gender Based violence

Noting

1. The escalating prevalence of Gender Based Violence meted against women and children, including persons with disabilities, is escalating despite the efforts to counter this scourge and is informed by the patriarchal nature of the SA society,
2. The paper acknowledges the work done in countering gender based violence, namely the legislative protections interdepartmental, monitoring initiatives, including child friendly courts,
3. The lack of a focus on the escalating violence meted against the gay and lesbian communities,
4. The initiative for the establishment the National Council against Gender Based Violence,

Believing

1. In the full implementation and compliance to the UN Convention for the elimination of all forms of discrimination against women and children (CEDAW), ratified by the South African Government.

Therefore resolve to

2. To fight patriarchal tendencies that manifest itself in the form of gender based violence,
3. Support the establishment of the National Council Against Gender Based Violence (NCA GBV), established to provide alternatives that will turn around the tide of this scourge and address, itself to the issues of prevention, response and support to victims and institutions, including the rehabilitation of perpetrators,
4. Call on immediate focus on addressing the escalating attack on gay and lesbians, which takes the form of hate crime,

Transformation of the justice system and policy makers

Noting

1. The conclusions of the paper that the judiciary still remains pale and male, women in particular black women are grossly under represented, and attention is drawn to the civic part of the Judicial Service Commission, given its predominance of men representation.
2. The paper is silent on the Traditional Court Bill

Therefore Resolve

1. The Alliance should campaign for more representation of women in the organs of the judiciary.
2. To call upon for more engagement with the rural women on the Traditional Courts Bill as they are the most affected. But also that the Bill to be more simplified in a language that women in rural understand and be able to engage an input.
3. Call for the workshopping and education of women on the Bill before it can even be taken for public hearings.

International

Noting that

1. The paper does not reflect on International Solidarity and the plight of women in the continent
2. South Africa as the custodian of the Pan African Women Organisation

Therefore resolve

1. To call for the resourcing of the Office of the Pan African Women

2. To have a clear program of action on Solidarity

International Relations Resolution

The CEC Noting that;

- The paper released by the ANC on its perspectives about international relations as a basis for discussion and the ultimate development of a coherent international strategy of the ANC for the coming period before the next Congress in 2017.
- The context in which this analyses is being made as being punctuated by the significance of the ANC centenary as not just a South African national event, but a profound event of global magnitude and inspiration to all the peoples and movements that suffered and those still suffering colonial, apartheid, occupation and domination of whatever form wherever they are
- The tone and spirit of the paper does not reflect the historic posture of the ANC as profoundly an anti-imperialist movement, whose perspectives should form the basis of the country's Foreign policy to become more activist, developmental and centred on the urgency of radically changing the global balance of power in favour of developing countries and poor people in general
- The tendency by both the paper and observations from practice that there is the real danger of the ANC international perspectives being driven by the state, hence the possibility of the governmentalisation of international relations and its consequence, the subordination of international solidarity to narrow state considerations
- The US used the Cold War, the system of strategic alliances and the international financial institutions to build a global capitalist order in which not simply were the economies of western Europe and Japan laid open to American capital, but the US state and transnational corporations were able systematically to penetrate and re-organise under its leadership the ruling classes of these centres of advanced capitalism. In this regard, US capital emerged as a social force within each European country, to the extent that domestic capital tended to be "dis-articulated" and no longer represented by a coherent and independent national bourgeoisie. This means, therefore that, in the post-war era, the US foreign policy has been characterised by *the internationalisation of the state, which according to some analysts is understood as a state's acceptance of responsibility for managing its own*

domestic capitalist order in way that contributes to managing the international capitalist order'

- The structure of the global political economy is changing at a very fast pace and we must understand the implications of that and what new avenues it opens for us, as well as new threats it pose to our ability to advance a qualitatively decisive agenda for a new and just world order
- The emergence of BRICS provide both opportunities and threats which must be understood and located in the context of the south-south solidarity agenda, weighed against our profound commitment to changing the global power structure and analysed carefully to avoid being integrated into a new form of imperialism or simply tinkering with the old order, instead of changing it fundamentally
- The industrialisation of our continent and the rest of the developing world, is and must always be a primary feature of our African agenda and not an accident of history. We must assert it more radically than ever before if we are to confront the terrifying levels of poverty and underdevelopment
- It is a known fact that the historic achievement of the American state during the 1940s was the construction of a transnational economic and geopolitical architecture that unified the entire advanced capitalist world under US leadership. One outcome of this arrangement was that capital and commodities flow ed with no restrictions within this space, to the benefit, of US banks and transnational corporations.

Believing that ;

- The ANC is both a product and champion of a liberation struggle that was an integral part of the global anti-imperialist struggle. For years, it actively participated and sometimes led international forums and structures that were a critical part of the struggle for world peace, democracy and justice. In addition, it was the decisive contribution of the global progressive movement, at the forefront of which was the anti-imperialist movement that provided profound, consistent and solid support for the struggle against apartheid
- The transformation of multilateral institutions to be more democratic, accommodative of developing countries' interests and more transparent and accountable must be pursued with much more vigour. This does not exclude the need for the fundamental transformation of our continental bodies themselves, such as the AU and SADC to reflect the new dynamism and allow popular participation in affairs of public, national and continental interest.

- The G20 and other such exclusive clubs are never meant to be a structure of fresh and new thinking for alternatives to the dominant paradigm, but an extension of the imperialist management power structure through the co-optation of the emerging economic powers to be part of the crisis management structure to help stabilise the status quo, rather than change it
- There is a need for a thorough review of ANC and Government international performance since the Polokwane outcomes and how that performance relate to our profoundly progressive perspectives for a new and just world order
- The centrality of the alliance in driving a new, progressive and bold international agenda and collectively committing ourselves to actively campaigning on key international solidarity issues, is unquestioned
- A thorough discussion on Africa and our approach to the crisis facing our continent in order to develop a comprehensive approach rooted in the active mobilisation of our people is very critical and urgent at the alliance level to inform government's work in that area.

Further believing that;

- Defining an activist international (foreign) policy is about localising international issues, struggles and experiences, internationalising local issues, struggles and experiences, whose principal elements include;
 - It is primarily about the internationalisation of our domestic struggles, experiences and values as enshrined in the freedom charter in our case, as well as the localisation of best international practice and progressive struggles and experiences.
 - It relies on mass power to drive a democratic and progressive international agenda. In other words, popular involvement in foreign policy development and implementation has proven to be the most successful form of international engagement, with Cuba being the best case scenario.
 - The liberation movement drives the state agenda, without sacrificing its ability to independently assert itself where the state suffers inevitable limitations
 - Clearly understands the separations and inter-dependence of the state and the party, even as they are supposed to be appear as separate and distinct players, they however complement each other in advancing the key objectives of the international agenda

- Difficult balances are carefully struck as in the case of when and how to use soft and hard power in making interventions
- The struggle for democracy and human rights at home is at the same time a struggle for democracy at the international level, hence the inseparability of local people's struggles from their global linkages and struggles
- At times, a real challenge arises from the delicacy of balancing human rights and developmental imperatives as seeming opposites. This is where the idea of a people-centred foreign policy that always and at all times, prioritises what is in the best interest of the peoples of both countries, must be asserted. We admit that in practice such is not easy, but it's a critical guide.

Therefore resolve that ;

There are a few critical tasks that should constitute our priority focus and these are;

- Immediate development of a **commonly shared alliance International relations programme** that will constitute a platform for engagement and struggle involving our mass base in these issues. This programme would also include areas such as trade, climate change and multinational companies, as well as campaigns on the Cuban five in US jails, ending Israeli occupation of Palestine, democracy in Swaziland, human rights in Zimbabwe, ending Moroccan occupation of Western Sahara and ending the rule of the military Junta in Burma, amongst others. It would also need to tackle the issue of the effective transformation of the international multilateral system and democratisation of global power relations. Campaigns such as the rejection of AFRICOM, development and industrialisation of Africa and against xenophobia would also be central to such a programme. This is very important, because then each alliance partner would complement the other, as well as clearly define the role of state power in that arrangement.
- Creation of an **International Solidarity Forum** driven by the alliance and coordinating all international work by the alliance and civil society as a whole in a cohesive manner. The alliance is and must always be the driver and a central force to all our international work
- **Re-alignment of our IR objectives** with our core domestic values as enshrined in our freedom charter and in line with the most progressive traditions of international best practice. The experiences of Cuba's internationalist outlook, both in theory and practice provide rich and useful lessons for us and the global south in general, which should be emulated.

Pre-occupation with accommodationist posture with western capitalist countries as an unequal partner has proven disastrous and to our own detriment. In fact, it perpetuates our unequal engagement in the global domain and isolates us from our proven, consistent and principled allies in the global south.

- The urgency of **building capacity** for the effective discharging of international responsibilities requires that we build effective machinery in our structures. The ANC decision to strengthen and upgrade its international department to equal these massive responsibilities is a positive [pointer in that direction, but must be so positioned as to co-ordinate well with alliance partners, who equally have to develop their own infrastructure for such purposes. All alliance partners, in practice and theory must place a higher premium on international work, not as a sentimental expression of the solidarity we received during our struggle against apartheid, but as a principled expression of our conviction and urgency imposed by the deepening conditions of an unjust and unsustainable global crisis that disadvantages countries of the south, Africa in particular. Our geo-economic size, our political weight and our moral standing in the international community requires of us to discharge our internationalist responsibilities in a manner that puts us at the helm or leadership of the continent and the global south in general. There are legitimate expectations from the people of the continent and the global south as a whole from us, given our resolute struggles against apartheid and contribution to many other global issues in various capacities then, as part of a global anti-imperialist movement.
- On the **campaigning front**, we need to commemorate jointly an **Annual International solidarity day** on various thematic issues chosen for the particular year. This would strengthen our capacity to mobilise our people around global issues of concern to humanity and drive the public discourse on international issues, as opposed to liberals determining the public agenda in this area
- The **development of our IR cadreship** is an absolute priority and we need to invest more energies and resources in that regard. IR is coming to the fore as a major field on its own and necessary skills are required for maximum impact. COSA TU has made some strides in that direction and would be happy to be part of an alliance initiative towards that end. The Foreign Service Institute (FSI) would also play a supportive role, but equally benefit from such a process as it would get the opportunity to interact with non-state actors involved in international relations. Even more critical, is the centrality that languages, such as French and Portuguese have come to occupy in international relations.
- **Provincial structures** of alliance partners are better placed to lead the offensive around building people-to-people solidarity with our neighbouring states, both at government level and as the alliance. However, due caution

must be addressed with regard to some states such as Swaziland and Zimbabwe and how this programme unpacks in relation to them. This is important, because if government does a programme with the Swaziland government then it defeats the purposes of isolating the oppressive regimes. This reality also applies, to differing extents, to municipalities.

- **Media and hegemony** are critical instruments in pursuing international relations. So long as we rely on western media institutions that portray a negative view of our continent and country, we cannot hope to effectively contest their hegemony. In this regard, the rest of the continent and even world, largely rely on the information provided by these and therefore, are prone to their view of the world. The idea of the SABC International (started as SABC Africa) was very noble for such intents and purposes, however it failed in management and a reworked model is necessary at this stage.
- We also need to revisit and redefine the role and objectives of some of the structures that proved very useful to our struggle against apartheid, as well as global solidarity in general. These include the G77, Non-Aligned Movement (NAM) and the anti-apartheid movement in general. In the past and even recently, though on occasion, they have been able to unite countries of the global south on critical issues and still contain elements of solidarity building between countries and peoples, which element must be strengthened.
- **Public diplomacy** is a critical weapon in international relations. It affords states the possibility to engage its own populace, account for its policy postures and provide a transparent possibility and framework. The creation of the Public diplomacy unit in DIRCO is a critical step forward, but what needs to be done is not only to engage on matters of controversy, but a consistent and principled engagement with the public on these matters must be on-going and sustained.
- Finally, the issues provoked herein are not necessarily sufficiently dealt with, but outlined to stimulate further discussions and need proper processing. These are the guides towards that;
 - - The international policy imperatives of a liberation movement; entrenching progressive hegemony for a new and just world order
 - Defining an activist international (foreign) policy – localising international issues, struggles and experiences, internationalising local issues, struggles and experiences
 - A thorough review of ANC and Government international performance since Polokwane and how they relate to our progressive perspectives for a new and just world order

- The centrality of the alliance in driving a new , progressive and bold international agenda
- The core tasks of the ANC International Policy in today's world
- A thorough discussion on Africa and our approach to the crisis facing our continent in order to develop a comprehensive approach rooted in the active mobilisation of our people.

Communications

Building an inclusive society through information and communication technology

In the ANC's 100 years of existence, nothing in society has changed more fundamentally than our communications infrastructure. A century ago there were no TVs, cell phones, laptops, internet banking, i-pods and the worldwide web. Telephones were a luxury for a tiny, very rich minority while for the poor majority most communication was still carried by word of mouth and messages were carried on foot or horseback.

The ANC's Communications Policy Discussion Document, "*Building an inclusive society through information and communication technology*", acknowledges that today "the world has been undergoing, and continues to undergo, an information and communication technologies (ICT) revolution, which has fundamentally transformed the way people live and relate to one another.

"This has made the world a much smaller place, in which individuals can access information and services from wherever they are in the world. The same ICTs have turned this globalizing world economy into a knowledge economy, where access to information and knowledge becomes the key determinant of the extent to which individuals, communities, societies and whole regions can shape their own lives and compete for jobs and services."

COSATU however fully agrees with the document's view that, just as in other spheres like education, healthcare and transport, access to communications reflects "sharpened inequalities between regions and nations, and within nations, producing winners and losers and a core and a periphery".

The vast majority of the world's population have very little access to all this communications technology, and are getting left even further behind the rich all the time. COSATU will agree with its allies that communications policy must be "aimed at fighting this segregation and inequality, and working nationally, regionally and internationally to ensure a more just social order."

In South Africa, since 1994, however we have made progress in the spread of electronic communications. After just 18 years cell phone penetration stands at more than 100%. They have become almost universal and the most used form of personal communication.

The mushrooming of community radio stations and the development of the SABC's regional services have brought millions of poor communities in touch with the wider world. Radio coverage now reaches 95% of the population and 92% have access to at least some TV channels.

Despite its many problems, which we shall come to later, the SABC has been transformed from the apartheid regime's propaganda factory that it was before.

ITC

Nevertheless the ANC document rightly notes that when it comes to the more sophisticated forms of IT, like 3G broadband internet services, which have become so important as a means to access information and knowledge, and a route to higher educational opportunities, access is still restricted to a minority.

“Mobile broadband penetration still stands at less than 11% (households) and 8% (business), and according to the International Telecommunications Union fixed broadband in South Africa is at below 10%. Universal broadcasting signal is not available in about 448 rural and remote areas of our country.”

The document lists serious gaps that have constrained the ICT sector's ability to respond to the needs of the people especially the rural and urban poor. These include:

- a) The lack of a comprehensive National ICT Policy, leading to overlaps and competition within government.
- b) Institutional misalignment and limited accountability.
- c) Limited e-skills within the state and society as a whole.
- d) High turnover, and corporate governance challenges in the key institutions and relevant departments.
- e) Inadequate funding of projects aimed at promoting universal service and access.
- f) Failure by the policy and regulatory institutions to enforce compliance with the law.
- g) Limited and misaligned research and development.
- h) Policies are not based on evidence, hence they keep on changing even before the results can be realised; and
- i) Failure to implement some of the decisions of the previous ANC conferences and the National General Council.

“Our drive towards a new vision of the ICT sector,” says the document, “should seek to provide a long-term approach to addressing these challenges. In particular, the sector needs a long-term stability to be in a position to take the country into the next trajectory.”

To achieve this the document sets out the following very bold ITC policies to deal with these problems, including:

- i. Promote the provision of universal access to high speed, quality and affordable networks and services to ensure that government, communities, business and all our people become part of the Information Superhighway and the knowledge economy.
- ii. Inform the deployment of ICTs across the country - national, provincial and local infrastructure.
- iii. Align uptake and usage of the development of indigenous knowledge systems and the revival of the local content industry.
- iv. Inform regulatory interventions to ensure a world-class digital infrastructure connecting business centres and households in all areas of the country including in rural areas.
- v. Define ICTs as a basic utility, similar to water and electricity.
- vi. Set out targets to increase population coverage of high speed Internet access to 100% by 2030. This means that by the determined period, every South African should be within the reach of the ICT infrastructure. More endeavours, including access to receiver equipment such as computers, are needed to ensure that South Africans can use the available network.
- vii. Outline approaches to ICT uptake and usage to promote applications in e-government, health, education and fighting crime.

There is nothing there that is not consistent with the federation's policy. In particular item v. – “Define ICTs as a basic utility, similar to water and electricity” - shows how rapidly we have now moved into the IT age. A few years ago that demand would have sounded impossibly utopian

SABC

The document goes on to give a brilliant summary of what should underpin public broadcasting policy, which is totally in line with our view :

“Firstly, it [public broadcasting] acts as a means to reflect the rich South African cultural heritage, provides voice to South Africans to participate in a democratic dispensation as well as acting as an important platform for community involvement, education and entertainment. Secondly, as part of the ICT industry, broadcasting is an important economic sector that sustains the South African creative industries”.

The section dealing with the SABC suggests however that we are still very far from fulfilling this mandate, it paints a bleak picture and its view is very close to that expressed over the last few years by COSATU and the SOS: Support Public Broadcasting, including:

- i. The public broadcasting system, beset by many structural, managerial and funding problems, needs to be restructured and repositioned to prioritise public service as opposed to the commercial focus that it has displayed.
- ii. The 51st and 52nd ANC Conference resolutions on funding have not been implemented due in part to the failure to develop a public broadcasting model that is

not reliant on commercial programming, failure to cost the mandate as well as different interpretations on the role of public broadcasting in government.

iii. The series of crises at the public broadcaster reflect a lack of leadership, lack of accountability and poor management. In confronting the crisis more emphasis has been placed on reporting processes without a corresponding attention to holding those responsible to account for the financial and organisational maladministration that has brought the public broadcasting institution to the crisis.

“Such a situation, it says, has prevailed because institutional structures responsible for oversight have not been effective.”

The proposed solutions also mirror those advocated by COSATU and the SOS and are worth quoting at some length:

“The SABC must be restructured to prioritise public services in the digital age. As part of this process, the government must, in line with the resolutions of the 52nd conference, increase its funding of the SABC. This must be implemented progressively over a reasonable period.

“Government funding must be ring-fenced to be targeted towards public programming such as indigenous languages, developmental and educational programming. In addition to government funding, the SABC requires a long-term sustainability strategy based on a people-centred approach to public broadcasting.

“Programming that is supporting education, health, poverty eradication, rural development, crime prevention and other societal priorities are miniscule compared to programming that is entertainment based.. This needs to be revised as a matter of urgency.

“The public broadcasting systems should not be allowed to lag behind the commercial sector in terms of technological innovations. In this regard any future strategy of the SABC must position the broadcaster as a leader in the uptake and usage of new technologies including Mobile television and Internet Protocol television.

“A stable corporate governance mechanism is required to provide long-term stability. These include strengthening the SABC’s accountability to parliament, shareholder (government) and the public. The public ownership of the SABC is central to its existence and sustainability.

“While broadcasting is delivered through ever changing technologies, it remains a content and cultural industry. In light of this strategic role of broadcasting, the current local content quotas at 55% for SABC 1 and SABC 2, 30% for eTV and SABC 3 and 10% for Pay TV services do not support our long-term vision of a diverse South African broadcasting system - owned by the public, private and community sectors and reflective of the cultural, multi-lingual and demographic diversity and unity inherent in our society.

“Compared to other countries such as Canada, Australia and Nigeria, South Africa has one of the lowest content obligations in the world. Many countries continue to impose foreign content and ownership limitations of the media. In its approach to this matter, the ANC maintains that the broadcasting policy review must prioritise national social and economic goals above private interests.

“In addition, the broadcasting policy must also provide a strategy to fast track the local content development industry. The review of local content quotas must be aligned to this strategy.

“Much still needs to be done to ensure that the community-broadcasting sector is reflective of the communities they serve in terms of directorship, management and programming. There is a need for concerted action to ensure a fair representation of women, the workers, and people with disabilities, children and the aged.

“Programming offered by the community sector still need to be diversified to cater for the special needs of these strata while also contributing to community development and upliftment.

“The capacity of ICA SA to effectively regulate in the public interest still shows limitation occasioned by funding constraints, skills shortage and confusion on the means and ways of achieving effective regulation. There is an overriding need to boost the capacity of the regulator to effectively monitor the broadcasters in order to enforce licence conditions and regulations.”

Institutional mechanism

COSATU will surely support the document's call for a rationalisation of the multitude of state institutions which are involved in ITC, and the call for a broad-based National ITC Forum to oversee the sector.

E-skills

The ANC document makes a bold proposal that “e-skills should become a compulsory subject in all public schools to promote an e-literate society”. We should support this adds a major contribution to skills development and decent job creation.

Transformation

The document correctly points to the slow pace of transformation in the ITC industry, and suggests a very cautious target – that *by 2030*, “ownership and control of the sector should reflect national demographics including the increased role and participation of black people, women and persons with disabilities in the sector”.

COSATU will support the policy to give “strong preference to new companies to access scarce radio frequency resources going forward”, but must be worried at the policy “to reduce barriers to entry, *especially in the pay-TV market*.”

This policy somewhat contradicts other references to the “various ANC Conference Resolutions and Policy documents” which “capture the vision of a diverse South African broadcasting system - owned by the public, private and community sectors and reflective of the cultural, multi-lingual and demographic diversity and unity inherent in our society.

This must mean that the emphasis should be to expand public broadcasting with more channels for communities, trade unions, churches, etc, rather than opportunities for a few to get rich in the private sector.

Print media

For those involved in the print media, particularly the proprietors of the four big companies who control more than 90% of the sector, this section of the ANC Document will inevitably be the most controversial. It has to confront the fact that compared to the broadcasting media the newspaper industry has hardly changed since 1994.

“Despite protestations and evident denial,” says the document, “the print media existed for many years as one of the pillars of the apartheid superstructure, providing rationale and intellectual support to apartheid system. Whatever progressive media fought for the democratisation of society was initiated and linked to mass democratic movement led by the ANC.

The root of the problem, says the ANC, is that “the print sector is still dominated by four big players, namely Naspers, Avusa, Caxton and the foreign owned Independent Group. These companies also dominate the entire value chain of the market especially printing, distribution and advertising. This integration and the very market structure is perhaps the biggest barrier to market entry and potentially shows possible anti-competitive behaviour.”

As COSATU noted in its submission to the Press Freedom Commission, these companies “all reflect the outlook and prejudices of the capitalist class that own them – pro-big business, the ‘free market’ and private enterprise”.

The ANC summed up the crux of the problem even better in its 2007 Communication Discussion Document, which said that “the media is a contested terrain and therefore not neutral, but reflects the ideological battles and power relations based on race, class and gender in our society. It cannot claim that its role is merely to reflect interests – rather it helps to shape those interests.”

As Comrade Nelson Mandela said: “A critical, independent and investigative media is the lifeblood of any democracy” and “the tragic absence of diversity in the SA media has been a matter of grave concern to us over years”.

The 2007 paper correctly argued that the concentration of ownership reinforces “a major ideological offensive, largely driven by the opposition and fractions in the mainstream media, whose key objective is the promotion of market fundamentalism,

control of the media and the images it creates of a new democratic dispensation in order to retain old apartheid economic and social relations.”

We will surely agree with the ANC “that the media... must reflect the democratic dispensation ensuring the freedom of expression, which includes freedom of the press and other media; freedom to receive or impart information or ideas; freedom of artistic creativity; and academic freedom and freedom of scientific research”.

This inevitably begs the question, however, of why the ANC cannot understand the concerns of COSA TU and others over aspects of the Protection of State Information Bill. We have always insisted that it is wrong to see this bill as simply an attack on the media; it could threaten the rights of all South African citizens to access to information, and particularly to whistle-blowers who seek to expose crime and corruption. But there are genuine fears that the media, including trade union and community media, too could be gagged for exposing ‘secret’ evidence of corruption unless there is a clause to legitimise publishing information when its disclosure is in the public interest.

Otherwise the ANC government could be undermining the document’s assurance that “the ANC remains committed to a media climate that is free from vested political and commercial interests.”

Press freedom

The document says very little about the idea of a media appeals tribunal (MAT), which featured so prominently in the 2007 document, just that “the ANC reaffirms the need for parliament to conduct an inquiry on the desirability and feasibility of a MAT within the framework of the country’s Constitution that is empowered to impose sanctions without the loss of any constitutional rights.

Now however - since the ANC document and COSA TU’s first draft response came out - the Press Freedom Commission (PFC) has published its report, which, amongst others proposals supports “independent co-regulation for the print media industry of South Africa”. It would involve “public and press participation in media regulation without state or government participation”.

We share many of the ANC’s concerns about the inadequacy of the current media complaints regime of the media-run Press Council and Ombudsman, COSA TU did not however adopt a policy on the MAT, mainly because of a lack of clarity on its powers and composition. Unfortunately this ANC document does not provide any new insight into these questions.

We shall now need to study the PFC report in detail and formulate a policy, but it is interesting that it has been welcomed by the ANC Secretary General, which may mean the end of the debate on a MAT. I hope the ANC will add a section to their document on their response to the PFC.

One major problem that this document, unlike earlier ones, dodges is why 18 years into democracy, the ANC and its Alliance partners have not been able to publish a

new spaper to challenge the private cartel of which they are so rightly critical. That remains a major challenge for all of us.

Post Office and Post Bank

There is a section looking at the Post Office and Post Bank. SAPO remains an important part of our communications infrastructure, with 2 400 outlets, which “plays a significant role in the socio-economic development of the country”.

Interestingly the report reveals that one of its most important functions is not directly linked to communications but that it “acts as a pay point for many government services including municipality bills and traffic fines. This contribution helps alleviate backlogs in the delivery of services to the people which is the central trust of our National Democratic Revolution”.

COSATU will agree that “the postal market is not ready for liberalisation” and that “evidence in the courier market point to local and international courier companies paying more attention to the lucrative urban areas to the detriment of the rural and peri-urban areas who can get services based on internal market cross-subsidization”.

At the same time however the document is right to say that “the decision to protect the exclusivity of the Post Office should not compromise the provision of affordable, quality services”.

The Alliance partners will also welcome the insistence that the state-owned Post Bank should become “the preferred bank of choice for the poorest people in urban and rural areas” but will have to agree that “more work is needed to establish a sustainable mechanism for the Post Bank”.

“New media”

The document looks briefly at the “new media” and notes that its innovative use during the 2009 elections campaign, pioneered by the ANCYL, was one explanation for the concerted outreach to young and first-time voters.

ANC organisation

Finally the document looks at how it can use ICT to improve its internal communications with its membership, branches, regions and provinces. It argues for the same methods to be used by government, in order to communicate with all citizens in all languages, and to strengthen community broadcasting.

COSATU affiliates can learn useful lessons from this section of the document on how to improve their own internal communications systems.

Conclusion

The ANC Discussion Paper with a call to action. “Success in the mass deployment and roll out of information and communication technologies to improve the lives of

the South African people can only be realised if the ANC government plays its role of coordinating and directing in a seamless way the many initiatives that are found in the three spheres of government, the governmental agencies, public owned enterprises, private and community sectors”.

It regrets that while “the ANC’s vision for the sector finds expression in various ANC Conference Resolutions... the evaluation of progress show that implementation has been constrained by our government’s capacity to implement the ANC resolutions but they have also been constrained by policy incoherence, high staff turnover in critical departments and business areas, and overlapping and often competing institutions”.

That is the crucial test. As with so many ambitious ANC policies over the years, the biggest challenge is to turn this document’s fine words into deeds.

Input On Economic Transformation

Congress of South African Trade Unions

23—25 April 2012

1. The Policy Context

1.4 COSATU’s proposals on economic transformation have always been centred on the need to implement the Freedom Charter and to advance the proposals of the Reconstruction and Development Programme. The pillars of COSATU’s economic strategy are:

- a. Redistribution of Economic Power, Resources and Income
- b. Democratising Patterns of Ownership and Control of the Economy
- c. Meeting Basic Needs
- d. Industrial Development
- e. Environmental Sustainability
- f. The Development of the Southern African Region

1.5 On the redistribution of economic power, resources and incomes, COSATU’s policies revolve around the following points:

- a. Breaking the power of white monopoly capital, which continues to own decisive industries such as petro-chemicals, steel, finance, wholesale and retail and the agricultural value-chain
- b. Improving access to quality and affordable basic services such as education, healthcare, housing and basic infrastructure by working class communities, including rural areas
- c. Measures to reduce income inequality through among other instruments, progressive taxation and redistributive public expenditure

1.6 Democratising patterns of ownership and control of the economy include the following interventions:

- a. Nationalisation of the mines, banks and other monopoly industries (e.g. forestry, petro-chemicals, steel, metals fabrication)
- b. Extend public ownership in critical sectors (e.g. pharmaceuticals, capital goods and equipment, cement, construction)
- c. Nationalisation of land and ensure that the democratic state has power to allocate its use on a lease basis
- d. The democratic state must be the custodian of South African land and must thus have power to determine its use
- e. Promote co-operatives (e.g. in clothing and textiles, agricultural value-chain, etc.)
- f. Supporting SMME's and the private sector, where these are not in conflict with the overall strategy of economic development

1.7 On Meeting Basic Needs, COSATU has consistently argued that this should be at the centre of economic development and must include:

- a. Access to quality education, skills development and training, healthcare and housing should be extended in working class communities in both urban and rural areas
- b. Access to quality and affordable public transport, including by people in rural areas
- c. Universal access to quality and affordable basic services such as water, energy and sanitation
- d. Provide the appropriate macroeconomic framework to meet the basic needs of our people

1.8 On industrial development, COSATU's policy positions have been about building and broadening industrial linkages in line with the RDP proposals. This includes the following interventions:

- a. Beneficiation of minerals and raw agricultural products
- b. Directing the inputs that are produced by monopoly industries, e.g. petro-chemicals (SASOL) and steel (Arcelor-Mittal), towards supporting domestic downstream industries
- c. Promoting local procurement by putting in place a system of incentives and disincentives
- d. Implementing a developmental trade policy, e.g. tax on selected exports and in some instances export bans, tariff adjustment to protect local industries and imposition of import duties
- e. Improve access to finance to targeted sectors and linking this to developmental goals
- f. Building strong links between agriculture and manufacturing, also as part of a strategy for rural development
- g. Provide an appropriate fiscal and monetary policy framework to support industrial development

1.9 On Environmental sustainability, COSATU's policy stance is that industrial and social processes must

- a. Minimize the disruption of natural processes
- b. Limit environmental degradation and adverse changes in bio-diversity
- c. Combat, soil erosion and desertification
- d. Reduce emission of greenhouse gases, especially carbon dioxide
- e. Reduce the pollution of water streams and ground water

1.10 On the development of Southern Africa, COSATU's policy positions can be summarised by the following proposed interventions:

- a. Promotion of worker rights, democratic institutions and the creation of decent work
- b. Infrastructure development as a primary means to integrate the regional economy
- c. Industrial development and trade policy to support broad-based regional industrialisation and job-creation
- d. Addressing the problem of forces migration, especially due to social and economic hardship faced by the working class and the poor in the region
- e. Support food, water and energy security of the region
- f. Improved regional access to basic services such as health services, quality education, skills development and training.

1.11 It is on the basis of the above policy framework that COSATU engages the ETC document.

2. Where We Agree

2.1 We agree in the following areas with the ETC document:

- f. The pillars that inform the economic transformation programme
- g. The impact of the changes in the global economy and the strategic role of the African continent for South Africa's long-term development prospects
- h. The need to support efforts towards a New Growth Path
- i. Support for skills development and training
- j. The catalytic and developmental role of the infrastructure build programme
- k. The centrality of industrial transformation
- l. The need to address the problem of climate change
- m. The importance of elevating the role of the state in the economy

2.2 The pillars outlined in p.1 of the ETC document by and large accord with the COSATU economic strategy. We thus fully support them. Nevertheless it would be important to emphasise the point that these pillars must not be viewed in isolation from each other and must be taken as an integrated whole, just like the RDP articulated its character.

- 2.3 The ETC document presents an interesting analysis of global developments. This is important because these have an impact on the long-term development prospects of South Africa. The emergence of the BRICS and the strategic shift of production towards the East is an important development. However what is not coming out sharply is the alternative development model that the emerging industrial economies are following. The ETC document talks about states in these economies having “substantial interests in the financial sector and play an active role in managing the exchange rate” (point 3.2). However the document should have been more explicit to empower the movement about what is actually going on. In fact the emerging industrial developmental states own state banks and the state accounts for more than 40% of the banking system in some instances (e.g. Brazil and India), there is pervasive state ownership of critical and monopoly industries such as steel, petro-chemicals, construction, cement and forestry). In other words, these sectors are owned and controlled by the state to achieve developmental outcomes, whilst the private sector operates downstream.
- 2.4 We support the continued focus on the need for a New Growth Path. The ETC document in fact, should have extensively outlined how the movement is supposed to take forward the job-drivers that have been identified and in the process, the document should have provided the required alignment between the New Growth Path and the National Development Plan (which, by the way, still has to be engaged by the Alliance). In that way, the ETC document could have provided the necessary intervention, especially in strengthening the economic aspect of the National Development Plan.
- 2.5 The elevation of skills development is welcome. However we want to note that without a vision of the type of industrial base that we want to build and the basic needs of our people, skills development and training is likely to be developed in an incoherent way. There needs to be alignment between industrial development, meeting basic needs and the skills development strategy.
- 2.6 The focus on industrial development is also a positive development that should be sustained and be given greater impetus. However, as we will demonstrate below, there are weaknesses in the ETC document in the way in which it articulates an industrial development strategy. More can be done by way of specifying the concrete measures that will be undertaken to revitalise and build South Africa’s industrial base.
- 2.7 The issue of climate change is correctly mentioned in the document, this is welcome. Nevertheless, the ETC document has narrowed environmental sustainability to the question of climate change, which is unfortunate. In addition, there is a need to articulate a clear leftist perspective of the concept of Just Transition.
- 2.8 The elevation of the role of the state is also a positive development. The problem though is the way in which the ETC document articulates it. The experiences of the emerging fast-growing industrialised economies, point to the need for a more leftist perspective on the role of the state. The perspective that is articulated in the ETC document is essentially technocratic and lacks a class perspective.

3. Where We Disagree

3.1 We do not agree with the following issues in the ETC discussion document:

- g. The Question of Inequality and Property Relations
- h. The Role of the State
- i. Infrastructure Development
- j. Industrial and Trade Policy
- k. Problems of the Environment
- l. Approach to Southern African Development
- m. Meeting Basic Needs
- n. Absence of Rural Development as an Integral Part of Economic Transformation
- o. Macroeconomic Policy

3.2 In the opening pages (i.e. p.1—2) the ETC document talks about “structural challenges that result in poverty and unemployment”. The document further talks about freeing “our people from poverty and unemployment”. The question of inequality is not raised. This is problematic because the three challenges are inter-related. Inequality in particular is the foundation of the entire apartheid colonial social structure. We therefore propose that this concept be re-instated in our economic transformation programme.

3.3 The ETC document is completely silent on the question of property relations. In our view, this is the core issue of any revolutionary transformation programme. The silence of the ETC document on this question means that the document accepts the existing patterns of ownership and control of the South African economy. Now here does the document problematise the fact that decisive sector of the economy are now to a large extent foreign owned, neither does the document problematise the slow pace of transformation in terms of employment equity, as documented by the series of Employment Equity Reports. The ETC document is obscure about the role of FDI (point 9.13) and does not critique the fact that FDI has tended to go to traditional and unproductive sectors, and has thus tended to reinforce South Africa’s colonial economic structure. In addition, the document does not even critique the fact that FDI has tended to be in the form of “mergers and acquisitions”, which almost always leads to job-losses and adverse economic restructuring.

3.4 Whilst the document says South Africa needs “foreign direct investment to stimulate economic growth”, it also notes that there is a need to strengthen “technological capacity” to resolve balance of payment problems (point 9.11). However, the problem is that the document does not specify concrete measures to support technological development. For example, conditions could be put on FDI for technological development and measures to ensure that this takes place at a micro-level could have been mentioned. What is surprising though is that the ETC document seems oblivious of the fact that foreign ownership, together with loose foreign exchange controls, is responsible for the outflow of massive amounts of money in the form of dividends that could be re-invested domestically.

The fact that many developmental states, e.g. Vietnam, India, S. Korea, etc. have limits on foreign ownership, which in the case of Vietnam, is even more stringent on the financial system is a case in point. A revolutionary position would have been to set criteria for FDI and to then limit foreign ownership of the South African economy not just to secure our right to self-determination but also to assist in promoting economic stability. Unfortunately, the ETC document does not raise these important developmental issues.

3.5 The ETC document acknowledges the role of the state in the economy. However its articulation of the issue is extremely weak. The role of the state is actually not spelt out. What the ETC document merely says is that bureaucrats must be embedded enough to understand the challenges of the masses. It then provides a series of technocratic fixes to the current state structure. The ETC document does not question whether the current state structure is suitable or not to meet the socio-economic transformational challenges at hand. Secondly, it is not clear what the state will actually do, in relation to the economy.

3.6 Our view is that the role of state-ownership in the mines, banks and monopoly industries must be raised as a crucial entry point in the discussion. The ETC document must therefore outline the sectors in which the state will own and control the means of production, sectors where the state will develop forms of interventions such as regulations, and sectors where the state will play a supportive role in promoting certain economic activities.

3.7 In this connection, the ETC document, whilst it acknowledges the mixed nature of the economy to be composed of co-operatives, public sector and private sector, it fails to specify the concrete interventions that are required to support the co-operative sector. Furthermore, the ETC document, following the Freedom Charter, fails to concretely specify the sectors in which the state will play a leading role as owner and regulator. Consequently, the pillars that are mentioned in p.1 of the document are not tightly connected to what is contained in the body of the text.

3.8 The document talks about infrastructure development without linking it to industrial development. The New Growth Path at least attempts this link. The RDP has been crystal clear in this regard, that the most powerful way to link growth and development is through infrastructure. But what is even more worrying is the fact that the ETC document does not problematise the building of economic infrastructure, especially rail. It does not raise the question of whether the infrastructure build programme reinforces the pattern of raw material exports or supports broad-based industrialisation for long-term sustainable job-creation. In our assessment, the whole infrastructure build programme is anchored on deepening the links between the mines and the ports and this will not assist in putting the economy on to a new growth path. This just shows that there is a need to provide a class analysis of the forces that stand to benefit from the entire programme, and to interrogate its long-term sustainability. Once again, this does not address the industrial development pillar that is mentioned in p.1 of the text.

3.9 The document accepts that industrial transformation is necessary and that trade policy is an important tool to support industrialisation. However in both cases the document is extremely weak and in fact, adopts a purely neo-liberal approach to industrial policy. For example, the document says we should support industries with clear “comparative and/or competitive advantages...whilst difficult decisions should be made in instances where particular industries are clearly unable to perform competitively on a sustainable basis without state support” (point 9.3). The ETC document fails to see that competitive advantage is a function of policy intervention and comparative advantage is dynamic, involving learning-by-doing. In fact competitiveness is largely a function of state policy supporting the building of large economies-of-scale in industries, thereby providing the structural basis for firms to lower costs whilst expanding production. Furthermore, the target to certain industries cannot be determined in a detached way, detached from the fundamental mandate to build a cohesive industrial base. The bottom-line is that with sufficient state-direction and state-ownership of critical sectors, resources can be allocated in such a way that dynamic comparative advantage arises and a strong and vibrant industrial base emerges. But the ETC document takes the existing structure of industry as a natural outcome, as if past policies did not contribute to its evolution.

3.10 Another problem in relation to industrial transformation is the failure of the ETC document to outline the industrial base of the future. It is not clear what structure of industry is envisaged over the next two decades for example (and by the way, this is also a problem with the National Development Plan). Consequently the building and broadening of linkages between economic sectors is mentioned in broad terms without concretely specifying the core sectors. This does not assist because it fails to take the policy discussion forward. In this connection it is extremely surprising that the ETC document does not even mention local beneficiation of raw minerals and agricultural materials. No mention is made of progressive outcomes such as the Local Procurement Accord, and what potential for industrial development this would have. In short, the document talks about industrial transformation and trade policy, but fails dismally to specify the concrete measures that will be required to realise industrialisation.

3.11 The ETC document talks about the need to mitigate the effects of climate change. Correctly, the document uses the concept of Just Transition as an entry point in the discussion. However, the ETC document does not outline what it understands by this concept. What is also of great concern is that the pillar on environmental sustainability is now reduced purely to the question of climate change. This clearly narrows the perspective of the movement and is extremely problematic. Because of obsession with climate change, the document fails to address the question of changes in bio-diversity that may upset the natural environment; it fails to deal with the issue of pollution of water streams and ground water (acid mine drainage for example), the continued trend of desertification and soil erosion, etc. In short, by obsessing over climate change, the ETC document has robbed the movement of an opportunity to develop a comprehensive framework to respond to the environmental change.

- 3.12 In relation to the development of Southern Africa, the ETC document fails to highlight the fact that as long as South Africa's decisive sectors are owned, controlled and manipulated by a tiny minority, the development of region will be severely limited. For example it will be important for the South African state to have its own construction company to lead the process of infrastructure development in the region and the state must have sufficient power to finance infrastructure development in the region. Furthermore, some countries are part of the Highly Indebted and Poor Countries programme of the World Bank, which means that using market forces to build infrastructure, schools and clinics in the region is likely to be problematic. In short, the ETC document lacks a leftist perspective on Regional Development. In addition, while the document proposes free trade zones to be created, it does not confront the problem of Economic Partnership Agreements, and the tendency of regional economies to engage in bilateral trade arrangements with other countries, sometimes to the detriment of regional development prospects.
- 3.13 The ETC document does not mention basic needs, how these will be met. Whilst the document calls for industrial development and infrastructure development, it fails to link these two interventions to the pillar of meeting basic needs. This is important because to some extent, the extent to which an economic development strategy meets the basic needs of the majority of the people, especially the working class, defines its class character. Building infrastructure in such a way that local communities cannot use it for their day-to-day activities is likely to generate social conflict and exclusion. This is in fact crucial if we want to break spatial under-development and revitalise small-town economies. In short meeting basic needs must always be the end-result of all our interventions, because it is the basis for improvement in the lives of the people. As the quotation in the Organisational Report, from Amilcar Cabral, reminds us: "Always bear in mind that people are not fighting for ideas, for the things in anyone's head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future for their children".
- 3.14 A key area that is missing in the ETC document is rural development and land reform. This is an important issue because it deals directly with the question of land dispossession, food security and the development of rural areas. Importantly, at the core of our industrial development programme should be a strong link between agriculture and manufacturing. In terms of rural development, incentives to stimulate light manufacturing in rural areas, leveraging the strength of the minerals sector to promote rural development, driving infrastructure construction (especially roads, water and energy) and the provision of quality basic services such as public transport, education facilities, healthcare and housing should have been elevated as crucial intervention areas. None of this is mentioned as part of an economic transformation programme.
- 3.15 Lastly, the ETC document completely evades the macroeconomic policy issue just as much as it evades the property question. This is unfortunate, because it does not empower the democratic movement to engage robustly on this question. The entire economic transformation programme rests on whether an appropriate macroeconomic framework is in place. Talk about industrial development without

generous interest rates to targeted sectors, access to finance by farmers and SMME's, capital outflows due to exchange control relaxation, addressing inequalities through a progressive fiscal policy framework, regulating the financial sector in order to finance developmental interventions, using taxation in order to limit destabilising financial speculation and the over-bloated financial sector, etc. Last but not least, no mention is made of the private and foreign ownership of the South African Reserve Bank and how to nationalise it. In short macroeconomic policy tools are powerful means that would make or break any economic development strategy yet they are completely absent in the ETC document. As COSATU, we have consistently argued that the current framework is neo-liberal and remains the same as the GEAR framework. It does not support our economic development strategy.

3.16 In short, the ETC document does not provide an integrated approach to economic transformation and fails to be bold in its proposals. Actually there are no proposed interventions to shift the economy in a radical way. For example, it is not clear what concrete measures are put in place to ensure that infrastructure development stimulates domestic supplier industries. The strategic role of the Minerals-Energy-Finance Complex, which is the heart of the South African economy, is completely absent in the document. A surprising omission is the important issue of rural development, an issue that is also of historical significance as we approach the centenary of the 1913 Land Act.

4. Conclusion

4.1 As COSATU, we need to ensure that the pillars of the economic transformation programme, as articulated by the ETC document in p.1 actually inform policy positions of government. We should call for a move beyond "words" towards specification of active interventions. The ETC document mentions nice-sounding words such as "industrial transformation", "skills development and training", "the role of the state in the economy", etc. However upon reading it, there are no concrete measures that are proposed to advance these issues. In addition, the ETC document lacks a class perspective and clearly fails to advance a leftist perspective in many of the issues that it attempts to tackle.

4.2 COSATU's economic development strategy is very clear. It is therefore important that we win as many people as possible to our positions and to consistently argue for the implementation of the Freedom Charter as understood from the working class perspective. This means that the question of property relations and the role of the state needs to be clearly articulated and that the ANC ETC, as a structure of the disciplined force of the left, must advance a consistent leftist perspective in all the areas of economic transformation.

The Land Question

COSATU Response to the ANC Discussion Document on Land Policy Proposals

The People Shall Share in The Country's Wealth!
The Land Shall Be Shared Among Those Who Work It!

1. Policy Context

1.1 The year 2013 will mark 100 years of systematic land dispossession, which gave effect to the concept of the Union of South Africa. Land dispossession turned the majority of South Africans into wage-slaves, they were forced to live in under-developed areas and suffered super-exploitation by the white colonialist who formed the Union called South Africa. The manner in which the movement deals with the Land Question is therefore important, and should be comprehensive. The Land question is about property relations; who owns the land, land use—the land is used for what purposes and addressing the question of rural under-development.

1.2 The 52nd Conference noted that colonialism and apartheid were rooted in the dispossession of Africans of their land, the destruction of African farming and the super-exploitation of wage labourers, including farm workers and their families. The conference thus linked poverty, inequality and unemployment to centuries-old exploitation and under-development deliberately perpetrated on the vast majority of the people. Furthermore, the 52nd Conference noted that:

- a) Although a third of our people live in former Bantustans, these areas account for half of the poorest households
- b) The challenge of urban poverty and migration is inseparably linked to the struggle to defeat poverty and under-development in rural areas
- c) Many rural areas still lack infrastructure and adequate access to quality basic services such as roads, public transport, health and education facilities and adequate water supply
- d) Despite valiant efforts through the Integrated Sustainable Rural Development Programme and the extension of social grants, these are no substitutes for a broader strategy of rural development and job-creation
- e) Municipalities in rural areas are the most severely affected in terms of human, physical and financial resources
- f) Monopoly domination and vertical integration in the agro-processing value-chain continue to exclude the people from effective economic participation
- g) Liberalisation policies have brought competitive pressures in the sector but have also resulted in rising capital intensity and job-losses
- h) Current approaches to land reform are not achieving the scale required to support a better life in the rural areas
- i) Security of tenure on farms and former Bantustans constrains rural development in that some farmers and traditional authorities continue to abuse workers and rural communities and undermine their rights
- j) Industrialised countries support their agricultural sectors through subsidies and other forms of protectionism in order to ensure national food security and

social cohesion, with the result that in developing countries, rural livelihoods have been undermined and poverty has been exacerbated.

1.2 Based on these observations the 52nd Conference resolved to:

- a) Embark on an integrated process of land reform, rural development and agrarian transformation.
- b) Conference also resolved to support the self-organisation of the rural people in order to empower themselves in voicing their aspirations.
- c) Build state capacity and dedicate more resources to promote rural development, land reform and agrarian change.
- d) Review and change all legislative, institutional and tax-related that create a bias towards large-scale, capital-intensive, environment damaging agriculture.
- e) Support access to markets and integration of small scale farmers into value-chains.
- f) Expropriate land for public purposes to achieve equity, redress, social justice and rural development.
- g) To build a movement for rural transformation to extend and defend the rights of workers and rural communities, in alliance with FAWU
- h) Democratise land allocation, especially empower rural women to access land and to ensure consultation with traditional leaders on land disposal.
- i) Integrate land rights and water rights in one programme.
- j) Accelerate the roll-out of rural infrastructure, especially roads and ensure universal access to basic services in rural areas, particularly potable water, electricity, and sanitation.
- k) Improve co-ordination across departments so that an integrated approach to rural development is realised.
- l) In relation to land:
 - a. Regulate but not prohibit foreign land ownership
 - b. The state and mandate entities must exercise their legal right to expropriate land for public interest
 - c. Management and control of all state land must be under one department
 - d. Land audit be urgently undertaken and unused SOE land be allocated to low-cost housing
 - e. We should discard the market-driven land reform and immediately review the willing-seller willing-buyer principle so as to accelerate equitable land distribution.
 - f. Review the adequacy of the post-settlement programme

1.3 COSATU's position on land reform, rural development and agrarian change to a large extent accords with the above observations and resolutions. Our approach however, emphasises the link between agriculture and manufacturing to be the strategic goal in both industrial policy and rural development strategy. This is important especially if we are to break out of the minerals-energy-complex as a system of capital accumulation which limits the scale of job-creation in our economy. Our vision of rural development consists of the following six elements:

- a) Provision of decent work in rural areas
- b) Large-scale land reform to deal with the historical legacy of land dispossession
- c) Promotion of non-farm activities—light manufacturing, especially food and non-food processing, in rural areas
- d) Reduction of inequality of incomes and assets, empowering women in particular to have access to land
- e) Eradication of poverty and improve food security
- f) Improved access to basic goods and services

1.4 Key interventions that must be undertaken to realise this vision are:

- a) The implementation of the three pillars of the Comprehensive Rural Development Programme
- b) On the provision of decent work:

- a. The provision of social and economic infrastructure in rural areas, particularly in former Bantustans, should be the catalyst for decent work. Such infrastructure should be targeted at building the capabilities of rural communities. This would involve:

- i. Skills development facilities—revitalization and extension of colleges, in this connection SETAs should play an important role
- ii. Extension of health facilities—extension and building of facilities, increasing resources for those that exist
- iii. Extension of banking services—through the extension and revitalization of Post-Bank branches
- iv. Transport infrastructure—revitalization and extension of rail and road, tunnels and waterways as a means to revitalise water infrastructure, especially irrigation systems
- v. Improve ICT services—Telkom must have a rural development focus, connecting rural enterprises, households, schools and health facilities to the information highway.
- vi. Ensure a state-led programme that revitalizes and stimulates economic activity through revamping and extension of a nationwide irrigation scheme and provision of management and extension officers to implement and monitor rural development support initiatives

- c) On agrarian change:

- a. Provision of affordable inputs to agriculture, such as tractors, fertilisers, water pipes, etc.
- b. Strengthening the links between agriculture and agro-processing through among other interventions, regulations on exports of raw agricultural produce need to be imposed in order to have sufficient supply of inputs for food processing, and to ensure food security

- c. Build the technical and financial capacity of the Land Bank, de-link Land Bank lending conditions from financial markets so as to strengthen its developmental impact
 - d. Support a shift of those light manufacturing activities especially food-processing towards the rural areas
 - e. SOE's must play a leading role. They must contain a rural and social development component in their strategic plans, especially building partnerships with rural colleges and schools, clinics and hospitals. SOE's must also prioritise procurement from co-operatives.
 - i. Transnet must revitalize the rail system—connecting rural economies to urban economies, revitalising small-town economies
 - ii. Eskom—besides maintenance and extension of electrification, explore alternative sustainable energy sources in rural areas
 - iii. Telkom—roll out ICT infrastructure to rural facilities and households
 - iv. Post Office—provide banking services, including the transfer of government grants to beneficiaries
 - v. SETAs—must place emphasis on building capacity and fund programmes in rural colleges, especially targeting women and young people, thereby contributing towards revitalizing rural economies
 - f. Establishment of state-owned food processing, procurement and distribution enterprises across food chains (e.g. grain-wheat-flour-bread chain), as a means to democratize food production and increase access to markets by co-operatives and small-scale farmers, and ensure access to affordable basic foodstuffs by poor communities
- d) On rural development:
- a. The provision of social and economic infrastructure should be at the heart of our rural development programme
 - b. Improved access to quality services such as education, healthcare, ICT, safety and security, electricity, sanitation
 - c. Implement measures to support overall food security such as to regulate food and other selected agricultural prices, the export of raw agricultural produce, stabilize food prices through a state-owned stocking policy that moves food volumes counter-cyclically to food price movements and restrict speculative activity in financial markets relating to food and food-related commodity prices, e.g. through a tax on financial transactions.
- e) In relation to land:
- a. Halt the process by which the state relinquishes land in order to make up for land redistribution, whilst racial, gender and class concentration of ownership of land still persists

- b. The state must make available un-used state land to be productively used by co-operatives
- c. Develop a policy to deal with expropriation of unused or unproductive land, including land currently used for game-farming, golf-estates and land held for speculative purposes
- d. Regulate foreign ownership of land, and encourage productive, job-creating foreign investment in agriculture
- e. Ensure that the state expropriate land for the purposes of meeting basic needs, including laying down infrastructure and housing

1.4 Whilst these proposals dovetail with those of the 52nd Conference, it is important to realise that the state has to play a leading role in determining land use patterns and allocation, so that land is equitably distributed to those who work. This is important because the drive to redistribute land may be in conflict with the optimal use of land. It is this potential conflict that would require further engagement on the question of land-ownership. In fact land, like all natural resources, is a fundamental heritage of all South Africans. This must be reflected in its ownership. Two strands of thinking exist in the movement in relation to land ownership. One strand argues for state ownership and allocation of land use based on leases. Another argues for deracialised private ownership.

1.5 Part of our contribution in this document is that the idea of land reform should indeed be re-thought by re-affirming the call by the Freedom Charter. We argue that land redistribution should be given concrete meaning to mean redistribution in use and not land redistribution in terms of ownership. What this means is that the democratic state should have power to regulate the types of organisations that should have access to the land, the purposes for which the land is used, who should use the land. The problem with the post-1994 policy in terms of land reform is that it redistributed land ownership even in instances where this did not support productive use of the land. Therefore state-ownership of the land and an equitable redistribution of its use based on the lease system is the most favourable way to proceed. It is partly in this perspective that we approach the Land Policy Proposals document.

2. Our Approach to the Land Question: Property Relations, Rural Development and Agrarian Transformation

2.1 The Land Policy Document frames itself within the context of the Freedom Charter. It presents an impressive historical account of the process of land dispossession, the socio-economic consequences of this colonial process and the reasons why the post-1994 policies failed to deliver the desired outcomes. Regarding the failures of the post-1994 policies, the document says:

- a) The hitherto land “reform” strategy of the movement does not assist, because it is based on two incorrect assumptions: i) that essentially, the land relations which were inherited in 1994 were fine, they only needed some massaging here and there and ii) that an unfettered market mechanism (the so-called willing-buyer willing-seller) was able to deliver rapidly on the land question

- b) The delivery institutions remained the old ones which were meant to entrench white ownership and black landlessness.

2.2 As to what is to be done, the document suggests a vision based on four elements:

- a) A single, coherent four tier land tenure system made up of i) state and public land, ii) privately owned land, with limited extent, iii) foreign-owned land, freehold but precarious tenure, with obligations and conditions to comply with and iv) communally owned land, with institutionalised use rights.
- b) Clearly defined property rights, sustained by fair, equitable and accountable land administration system within an effective judicial and governance system. Here the documents proposes the formation of an overarching Land Management Commission, Office of the Land Valuer-General, Land Rights Management Board and the Land Rights Management Committees
- c) Secure forms of long-term land tenure for resident non-citizens engaged in appropriate investments which enhance food and livelihood security, and improved agro-industrial development
- d) Effective land-use management planning and regulatory system to promote optimal land utilisation in all areas and sectors

2.3 The aim of all of this is to i) deracialised the rural economy, ii) democratise and make equitable land allocation and use across race, class and gender and iii) sustained production discipline for food security.

2.4 In our assessment the document is heavily lopsided on the side of land reform and fails to tackle the challenges of rural development and agrarian transformation. Consequently it is silent on the other important aspects of the rural transformation programme, which would facilitate increased production and socio-economic development of the rural communities. Therefore, compared to the 52nd Conference resolutions, the document is too narrow in its focus, whilst it indeed deals with an important land reform and administration issue.

2.5 Our approach to the Land Question should be informed by the three pillars of our transformation programme: a) land reform, which is fundamentally about changing property relations, b) rural development, which is about putting in place structures to promote social and economic development in rural areas, c) agrarian transformation, which is about improving the productive capacity of rural areas, including access to capital equipment, markets, finance and skills. All these three aspects should be considered as a package.

3. The Land Policy Proposals: Strengths and Weaknesses

3.1 On the four tier land tenure system: The document says this will ensure that blacks have “a reasonable access to land with secure rights, in order to fulfil their basic needs for housing and productive livelihoods”. We have already outlined the structure of this system. The document does not give an impression that it seeks to develop the capabilities of rural communities to participate in commercial value-chains. The concept of “productive livelihoods” is not contextualised and

thus lends itself to the interpretation that the document proposes to promote subsistence farming in rural communities. In addition, the document does not explain what it means by “reasonable access to land” by blacks.

3.2 In terms of the structure of the four-tier system, the document does not specify what happens to the willing-buyer willing-seller principle. And if it is replaced by the valuer-general, it is not clear what principle will be implemented to ensure equitable distribution of land. There are other resolutions of the 52nd Conference in relation to the Land Question which the document does not explicitly address. For example, the 52nd Conference urged the state and mandated entities to exercise their legal right to expropriate land for public interest purposes. The Conference also resolved to regulate (though not prohibit) foreign ownership. What would have been useful is for the document to outline the regulations on foreign ownership and the principles that will guide the expropriation of land in the public interest. As the structure rests currently, it is still under-developed and does not assist in taking the crucial 52nd Conference resolutions forward.

3.3 Of importance though in relation to the Land Question are property relations. The National Democratic Revolution is not a bourgeois revolution, but neither is it a socialist revolution either. However, in the context where, as the document suggests, there is massive centralisation and concentration of land ownership in agriculture and monopoly domination in the agricultural value-chains, the document seeks to reinforce private capitalist ownership, but now in a de-racialised form. But the Morogoro conference stated that our revolution is not aimed at replacing the white capitalist with a black one. What the Land Policy Proposals are supposed to outline are the best ways in which the economies of scale that are embedded in large-scale commercial farms can be exploited for the benefit of the people. In other words, property relations on land should be geared in such a way as to introduce more progressive, non-capitalist ways of undertaking production in the rural areas.

3.4 Whilst de-racialisation of the rural areas is an important part of the NDR, it is also important that the productive forces that are embedded in large-scale farms be operated within the context of more progressive social relations. It is true that small-scale farms must be supported. However the reality is that power relations in agriculture are defined by large-scale farms. It is large farms that supply the bulk of the food and other products. The issue is what do we do with the continued monopolisation of these large-scale productive forces by a few white monopoly capitalists? The document does not address this fundamental question. Yet, in the 52nd Conference, we agreed that monopoly domination is an obstacle to our economic transformation programme.

3.5 As COSATU we are now escalating our resolutions on land ownership to call for state ownership of all the land in this country. This will empower the democratic state to break the power of white capital, strengthen the capacity of the state to regulate land use and to abolish speculation. Once the state owns the land, then it can decide on a lease basis as to who should use it and for what purposes. Land should be the heritage of all South Africans, owned by the democratic state and *shared in use, not in ownership*, among those who work it. This is the best

way in which the state can secure food security and reduce land under-utilisation. Thus the question of defining property rights to land ownership falls away. What remains is the administration of land use and allocation, including the determination of rent that should be paid to the state for land-use.

3.6 In terms of secure forms of land tenure the document is not clear what it means by this. However, under state ownership of land, once the lease is approved by the state, the security that an investor or land-user will enjoy will be contingent on whether they comply with the conditions set out in the lease. Such conditions would include the purpose for which the land is used, whether products from the land are disposed in a way that is consistent with the developmental requirements, conditions of employment for workers are observed etc.

3.7 Nevertheless, the fact that the document has narrowly focused on the land reform aspect is a major weakness. It would have been useful to assess how far we are in conducting land audit, both in terms of ownership and use. The document should have clearly outlined what to do with white monopoly of large-scale farms and vertical integration of value chains. What should be the role of the state in transforming these conditions, what is the alternative to the willing-buyer willing seller principle, what to do with the erroneous land ownership redistribution policy of the last 18 years?

4. Our Contribution to the Land Policy Proposals

4.1 The economic transformation document is silent about rural development and agrarian transformation. This is unfortunate. We therefore propose that the Land Policy Proposals be broadened beyond land reform and that the correct strategic perspective of the 52nd Conference be maintained, i.e. the three pillars of land-reform, rural development and agrarian transformation must be re-introduced in the document. We believe that these three pillars of an integrated programme are essential to avoid the weaknesses in existing policies. Land reform must be linked to agrarian transformation and rural development. It will be disastrous to just focus on land reform, and at that, only focus on setting up structures without clearly outlining the broad policy framework within which they will operate, e.g. what will replace the willing buyer willing seller principle, how will foreign use of land be regulated, how will agro-processing be supported, etc.

4.2 We also propose that, in terms of land reform, fundamentally the state must take ownership of all land, so that South African land belongs to the people as a whole. This makes redundant the question of foreign ownership. The equitable *redistribution of land should not therefore be about ownership, but it should be about use*. In line with the Freedom Charter, the land must be shared among those who work it. On the basis of complying with the conditions of the lease, the leaseholder will then be guaranteed security of tenure by the democratic state. Land reform should not be undertaken on the basis of just de-racialisation while deepening private ownership, since this effectively robs South Africans of their natural heritage and places it in the hands of a few people.

- 4.3 Land ownership by the state is also crucial to promote sustainable human settlements, especially in urban areas. The promotion of mixed-income settlements, densification of human settlements and combating urban sprawl, locating working class households closer to places of work, rolling out infrastructure such as rail, roads, etc. all depend on the availability of land. This is most pressing in urban areas, where land values are inflated by speculators. There is a clear link between these issues and the issue of land-ownership. While we support the structures that are proposed in the document, what is important to us is a policy framework that will address the challenges that we have just outlined, which are more pressing in urban areas.
- 4.4 In terms of agrarian transformation, we propose that the link between agriculture and manufacturing must be elaborated. Critical inputs into agriculture must be identified and industries to produce those inputs must be supported. By focusing on this link, the document will also contribute towards shaping trade and industrial policy. We are of the view that in South Africa this link is essential if we are to break out the Minerals-Energy Complex. The question of monopoly domination of agricultural value-chains and the role of the state-owned entities, including state policy with regard to the pricing of essential agricultural goods, should be outlined.
- 4.5 Policies to support industrial development in rural areas should be actively supported. In particular, it will be important to shift food processing to the rural areas. Currently, rural areas produce raw agricultural produce, which is processed into food items in urban areas, and the transported back to rural areas at high cost. As a way of stimulating productive job-creation, policies must be put in place to ensure this. We have already made proposals in this regard.
- 4.6 In terms of rural development, the issue of infrastructure expansion and maintenance, and the delivery of basic goods and services should be at the centre of job-creation. However, we are of the view that this should be undertaken in a co-ordinated fashion in a state-driven process. Accordingly, state-owned enterprises, including a state construction company, must be used to champion rural development. We have already made proposals in this regard.
- 4.7 Lastly, the document needs to build on the 52nd Conference resolutions, assessing progress that has been made in advancing those resolutions and explaining the constraints that have been encountered. Ultimately though, the three-pronged strategy of breaking colonial relations in a way that democratises land ownership in South Africa through a progressive land reform programme, advancing rural development and promoting agrarian transformation through linking agriculture with manufacturing, should be at the heart of our transformation programme.

Organisational Renewal

The paper is provided separately – See the paper circulated in the meeting.

Taking forward the CEC Political Discussions

On navigating a Complex political Terrain

Noting:

- a) The complexity of the current political environment which leads to the contestations of the entire alliance and government
- b) The political zigzagging as a result of the fluidity of the balance of forces
- c) The continuous media reports that the federation is divided along the lines of support for particular leaders in of the ANC in the run-up to the ANC's 53rd National Conference in December
- d) The political framework adopted by the 2011 Central Committee and the CEC of August 2011
- e) The progress that we made on the policy front at the 52nd National Conference of the ANC in Polokwane and the need to defend those achievements.
- f) The continued misinterpretation of COSA TU's views against government as oppositional
- g) The strained relationship between COSA TU and the SACP as a result of our view on the deployment of the party leadership to the state
- h) Our long-standing resolution on swelling the ranks of both the SACP and the ANC
- i) The high levels of disillusion in our society due to the deteriorating socio-economic conditions and the different ways in which we view that in the alliance
- j) The alliance partners are leading similar but different constituencies and that has a tendency of blurring the lines of accountability
- k) The ongoing leadership debate in the ANC ahead of the Mangaung Conference despite the call by the NEC for all to focus on the forthcoming policy Conference in June
- l) The role of some cabinet ministers in distorting ANC policies and implementing them outside the mandate of the organisation
- m) The diverse membership and the political character of the COSA TU
- n) The destructive role played by the media that threatens the unity of the federation
- o) The current limited role of the provinces in the constitutional structures of the federation

Believing that:

- a) The fluidity of the balance of forces has a direct effect on the internal unity and cohesion of the alliance
- b) The minimum engagements in the alliance result in public criticism and lack of understanding of each other's views
- c) COSATU and the SACP have more areas of agreement than differences and therefore need to work closely with each other
- d) Workers need to join the ANC and the SACP en masse in order to contribute in shaping their strategic political direction
- e) The party needs to play an active leadership role in the progressive trade union movement
- f) The independence of each of the alliance partners must be respected at all times
- g) As COSATU we should value the role of the party in our struggle for socialism
- h) The strength of the alliance relies on the relationship of trust and mutual respect
- i) The international balance of forces puts a strain on the alliance
- j) The absence of the joint socio-economic programme is a cause for divisions among us
- k) The unity of COSATU and that of the alliance is paramount and needs to be guarded at all times
- l) The ANC as the centre of policy formulation needs to lead and monitor the implementation thereof by the cabinet

Therefore resolves that:

- a) There are no major ideological differences internally in COSATU as well as between the COSATU and the SACP since both organisations are Marxist-Leninist ideologically, however there are tactical challenges that need to be ironed out
- b) The unity of the party and COSATU must be maintained through engaging in a joint programme of action at all times and ensuring regular engagements on issues of common interest
- c) COSATU and the party need to engage with maturity and tolerance on the issues of disagreement and ensure that we guard our unity at all costs
- d) A bilateral between the NOBs of COSATU and the SACP must be convened in the next two weeks with the aim of synergising the relationship between the two alliance partners
- e) Both organizations must respect the organizational decisions of each other and find ways of engaging structurally on issues of difference and avoid differing in public
- f) COSATU must ensure the establishment of the party units in all workplaces where we are organised

- g) COSATU and the SACP must jointly fight against the dominance of capital in our movement
- h) We need to take forward our resolution of convening the conference of the left jointly with the SACP in the first quarter of 2013
- i) The SACP and COSATU must exert pressure on the ANC to implement the progressive policies that we win through engagements
- j) The character of COSATU as a revolutionary trade union has not changed and we maintain our independence at all times
- k) The popularity of our views within the broader society has led to the labelling of the federation as anti-government and anti-alliance
- l) All alliance partners should equally strive for the maintenance of the relationship of trust and mutual respect
- m) The structure of our economy has a divisive effect of the alliance and we need to ensure that it is restructured
- n) There is a need to make a thorough analysis and interpretation of the NDR and the role of the motive forces in the current conjuncture
- o) The alliance needs to develop and jointly implement a joint programme of action to take up socio-economic issues in our society
- p) The federation must make an analysis of the levels of our influence in the alliance without creating hostilities
- q) We need to assess our role in initiating policy processes in the areas where there are none
- r) We need to engage in a programme of educating our communities to appreciate and treasure the least resources that they have from government
- s) We need to give proper meaning to the swelling of the ranks through regular auditing of our membership in the other structures of the alliance. This can be achieved through strengthening our locals and ensuring that they are centres for the swelling of the ranks and influencing policy perspectives in the alliance
- t) The CEC must take time to assess the state of our locals and the role that they play in the implementation of the programmes of the federation
- u) The ANC must play its role as a leader of the alliance and maintain maximum unity at all times. They should not be sensitive to criticism by the alliance partners
- v) We need to commit the ANC into leading the joint programme of action as means to minimise tensions in the alliance
- w) COSATU must not be apologetic for pronouncing our policy positions in public and the CEC must step out and defend the policy positions of the federation and the leadership that communicates them
- x) We must take keen interest in both the ANC and the SACP equally and ensure the maintenance of the principles underpinning the alliance
- y) The initiative taken by the federation in convening the Civil Society Conference should not be regretted as it sought to close the vacuum in our society

- z) All COSATU affiliates, particularly those in the public sector must make sure that our members are committed to the service of our people irrespective of the challenges that they might be facing
- aa) There is a need for a thorough analysis of the political and organisational capacity of the different alliance partners
- bb) We must ensure the implementation of our resolution to build and strengthen the party through ensuring that the party becomes self-sufficient and well resourced to lead the programme towards socialism
- cc) The COSATU NOBs must facilitate the process of resourcing the party in line with our long standing resolutions
- dd) COSATU needs to maintain dynamic contact with our comrades in government as well as in the ANC NEC and the SACP's CC
- ee) Our internal communications mechanisms need to be strengthened for effective communication of our decisions to our members so as to avoid the deliberate confusion of the media
- ff) We must take further the debate on the MTV with the SACP in order to clarify areas of difference
- gg) We must fight against any form of legislation that seeks to reverse the gains we have won and take us back to the dark days of apartheid
- hh) The leadership of the federation must be hands on in the processes of policy engagements both at the level of the ANC and in government. The NOBs must keep record of the participation of the different affiliates in the different structures
- ii) The federation must learn to exploit all opportunities that we open through our engagements
- jj) The federation must strike the balance between political debates and our efforts to build a strong organisation
- kk) We must take time and engage on extensive discussions on the property relations both internally and within the alliance in a quest to take the NDR to its logical conclusion
- ll) The federation together with the party need to grapple with the question of what are the lessons to be learned from deploying our cadres into a capitalist state
- mm) We must also assess the state of the SACP under the leaders of Comrade Charles Nqakula when he was invited to serve in the cabinet
- nn) The General Secretary is the face and the chief spokesperson of the party and needs to be central and influential in the implementation of the programmes of the party
- oo) The relationship between COSATU and the party is a mutual responsibility and we need to jointly guard the bias of the ANC towards the working class
- pp) The party must rise above the challenges from the federation and give political guidance and leadership at all times

- qq) In respecting the independence of the ANC the federation will not enter the leadership debate ahead of the Mangaung Conference with a list of names but we will engage on the principles that we adopted on the type of leadership that we need
- rr) We condemn factionalism with the contempt it deserves and we will not align the federation with any of the factions
- ss) The federation must recognise the organisational significance of the provinces and locals and give them a role to play in the constitutional structures
- tt) We must respect the outcomes of our own democratic organisational processes in defence of our unity and cohesion and the leadership must ensure the implementation of the Code of Conduct to the latter

Peace and Stability

Noting that

1. The discussion document has three components which include the following:
 - a) Justice whose central focus is transformation of the Courts and the Judiciary
 - b) Police which focused more on the establishment of a Single Police Service
 - c) Home Affairs in which the central proposal is about positioning Home Affairs as the backbone of Security, service delivery and the developmental State

On the transformation of the Courts and the Judiciary

Noting that:

- a) The greatest challenge facing our transformation agenda in the judiciary is the historicity of racism
- b) The massive gap in representivity of women in the judiciary and legal profession as a whole, programmes to accelerate increased access for women.
- c) Attempts to introduce legislation to transform the judiciary. Yet past inequalities in the racial and gender composition of the judiciary persist after the 18 years after we attained our freedom.
- d) Some judgements still reflects racial, class and gender stereotypes and bias
- e) Judicial officers are not unaffected or insulated from being influenced by race, class and/or gender stereotypes when making decisions.

Believing that:

Any meaningful transformation of the Judiciary must practically include the following:

- a) The creation of a judiciary that is appropriate to a democratic South Africa.

- b) A dramatic shift away from a judiciary that is dominated by white males to one that is representative of the country's demographic profile, and ensures opportunities for black legal practitioners who have been denied access in the past.
- c) The judiciary as a whole should reflect a working class bias, that is pro-poor and pro-development in its stance, in contrast to the current judiciary that has at its core a pro-business and pro-neoliberal agenda.
- d) The judiciary must reflect a bias towards women's rights and gender sensitivity, noting the triple oppression that continues to be experienced particularly by black women.

Therefore Resolve

- a) Build a bench that is demographically representative of the population
- b) Appoint judges who identify with and are dedicated to the new constitutional order
- c) Increase access to justice for all sectors of society, promoting a culture of judicial accountability
- d) Reorganise the court system to better reflect changes in the country's provincial and demographic make-up.
- e) Create the structures necessary to foster judicial independence.
- f) While accepting the principle of the independence of the judiciary, we however reject efforts to hide behind this principle to block transformation or fair criticism of judgements
- g) Call for an open debate in society on the transformation of the judiciary and the legal profession.
- h) Transformation of the judiciary must include, but not limited to, achieving racial and gender parity, changing attitudes towards the aspirations and needs of the working class and the poor; progressive gender perspective; change in the language of the courts; access to and the administration of justice, and building a prosperous non-racial non-sexist and democratic South Africa that would not tolerate inequalities inherited from apartheid capitalism.

On the Courts Rules

Noting that :

- a) The administration and funding of courts and the rules governing court procedure are intimately connected to the ability of courts to administer justice in an efficient, timely and fair manner.
- b) Under the Constitution, the Constitutional Court, the Supreme Court of Appeal and the high courts "have the inherent power to protect and regulate their own process ... taking into account the interests of justice" (section 173), and national legislation must provide for court rules and procedures (section 171).
- c) Court rules govern issues such as the schedule of court terms, powers and

duties of the registrar, guidelines for compiling the case record, and court fees. At present, rules for the Supreme Court of Appeal, the high courts and the lower courts are made by the Rules Board, which was established in 1985 by the Rules Board of Courts of Law Act (107 of 1985).

- d) At the present moment, the Rules Board consists of a judge of the Constitutional Court, the Supreme Court of Appeal or a high court as chairperson and vice-chairperson; a magistrate, two advocates; two attorneys; a law lecturer; an officer of the Department of Justice; and three people who in the opinion of the minister have experience to serve as members.

Therefore Resolve that

- a) The Rules Board should in its composition include members of society as well, in order that access to justice can be better enhanced and de-jargonised.

On the Establishment of a Single Police Service

Noting

- a) The broad thrust of the proposal for single police service but want to have it emphasised that all law enforcement Agencies at all levels of government should be under a single ministry. This will be in line with asserting the Unitary structure of our country.

Therefore resolve that:

- a) The implementation of the Polokwane resolution should be accelerated.
- b) The process should be informed by the following process:
- c) Merge all Law enforcement agencies under one Police Ministry or Command at National level.
- d) No police or security agency should be classified under Municipal or local government.
- e) The merger should be taken through the following sequence or phases:
- First Phase merge the Hawks and Traffic departments,
 - Second Phase merge all Metro Police.

Home affairs

Noting

- a) The founding provisions of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) which among others promotes Human dignity, the achievement of equality and the advancement of human rights and freedoms, Non-racialism and non-sexism, etc
- b) There is therefore a constitutional mandate to inculcate, promote and maintain a culture of always respecting the human rights of all Home Affairs clients.

- c) Horror stories such as the Lindela repatriations are well publicized. Inhuman treatment seems to be particularly reserved for those alleged foreigners from African countries - why?
- d) Many countries in Africa, particularly Southern Africa, paid a heavy price in the destabilisation campaigns of the apartheid state and its allies using brutal military and economic measures to subvert the struggle and the ANC. Frontline states which provided refuge for ANC were invaded and destabilised and their economies were blockaded by the apartheid regime

Resolve that:

- a) ANC branches must take the lead in ensuring that Home Affairs officials, police and indeed all organs of state abide by the founding provisions of the country's Constitution.
- b) Our branches must work with Alliance partners in closely interacting with the communities that have foreigners in their midst to ensure that those foreigners are treated with respect and sympathy. It must be made clear that acts of criminality and/or xenophobia will simply not be tolerated.

Maintaining accurate and reliable Population Register:

Noting that:

- a) The paper does not say anything on proposals for a concrete system on birth registration.

Therefore resolve that

- a) There is a need for government to empower the hospital officials in order to deal with birth registrations within a prescribed period. This can be achieved through the development of a solid plan.
- b) Ensure that every child going out of hospitals is registered and every hospital and local clinics both rural and urban have established service points which will serve as an immediate solution.
- c) Creation of a permanent working National Identity system [schools, hospitals etc]
- d) The on-line registration should also be expanded and avail the outcome of the Pilot project to inform a way forward. [which was tested at 221 hospitals].

Further Resolve that:

With regard to out of hospital births [in rural areas] the following must happen:

- a) Utilize schools to establish Home Affairs service points to play a dual role [i.e. registration of birth and monitoring late registrations].
- b) This is however a solution to remedy a situation that shouldn't come to this level – as all children should be registered within 30 days of birth.
- c) Utilization of Chiefs/ or Traditional houses and Councilors to assist in the registration.
- d) There must be better coordination and collaboration between Dept of Basic Education & Dept of Home Affairs (DHA).

- e) Each DHA office must work with schools in its area to ensure learners are made to apply for ID docs.
- f) This is already happening but it needs better control & coordination. Same collaboration with hospitals when coming to registration of births. Ward Committees, School Governing Bodies must play an important role in identifying children and pupils that do have birth certificates and ID documents; this will obviously deter any acts of possible corruption.
- g) DHA services on wheels (mobile offices) must every year draw up itinerary of visiting schools, especially far flung rural areas and townships. This is in line with a people driven and people centred reconstruction and Development programme.

Immigration

Noting that

- a) The paper's starting point on management of immigration that it be anchored and aligned to the promotion of economic development, jobs creations and trade investment in South Africa, within the SADC region, the African Continent and the rest of the world.
- b) The paper proposes stringent measures to make it difficult for people to obtain asylum seeker permits
- c) Xenophobia is not mentioned in the document; nor is any Policy that could address xenophobia.
- d) There is no budget dedicated to dealing with xenophobia is non-existent.
- e) There are no preventive measures against xenophobia.
- f) The paper is exclusively looking at foreign migrants in terms of burden or threat for national security not also, as contributors to the SA economy
- g) The paper proposes that work and study permits with limitations will have to be applied for under the immigration act.
- h) The paper's proposal that "Non-South Africans should not be allowed to buy or run Spaza shops or larger businesses without having to comply with certain legislated prescripts.

Therefore Resolve

To call for a clear articulation of the following principles to underpin the Immigration Policy:

- a) The South African government - through a summit of Southern African governments and trade unions - should seek to develop migration policy as part of a broader regional economic development plan. Southern Africa's history of colonisation and apartheid destabilisation means that the region has inherited a legacy of poverty, insecurity and skewed development. The development of an appropriate migration policy requires that we put in place a

strategy informed by a long term vision of how our region is to overcome its problems and improve the living conditions of all who live in it.

- b) Through effective legal guarantees of equal wages and working conditions for South African and migrant labour, migration policy must avoid a situation where the employment of foreign workers leads to a de facto erosion of labour standards and a deterioration of the conditions of all workers in South Africa. Any potential for the entrenchment of the two-tier labour market – made of legal South Africans and "illegal foreign" workers – must be explicitly undermined.
- c) There should be fair and proper control of entry of migrant workers into South Africa, including the drawing of clear distinctions between traders, tourists, migrant workers, job seekers, students, etc. Migration policy must ensure humane treatment - informed by South Africa's constitutional commitment to human rights - and must promote the formalisation of migrant workers coming to South Africa from other countries.
- d) In the short to medium term, an agreed number of migrants from neighboring SADC countries should be allowed access to the South African labour market and heavy penalties should be imposed on employers who employ illegal migrants. This should be reviewed on an ongoing basis so that, in the longer term, freedom of movement, residence and employment through-out the Southern African region can be achieved.
- e) Immigration policies aimed at attracting skilled workers must not jeopardise the priority of developing skills in the South African workforce and we should not compromise the Department of Labour's programme for improved skills training on the basis that attempts are being made to attract skilled labour from other countries. Education and skills programmes should be extended to migrant workers.

Further Resolve that

- a) A number of additional steps need to be taken in order to manage the process effectively and minimize the risk to national security and stability"
- b) The same approach in dealing with low skilled foreigners should also be applicable to high skilled migrants to address the challenges facing the country in other areas. e.g. to respond to scarce skills
- c) Foreigners to be recognised as contributors to the national economy within the parameters of the immigration policy.
- d) Foreigners to be recognised as bringing business and other Skills.
- e) There should be measures put in place ensuring that foreigners pay tax.
- f) Regulate the informal economy without destroying it
- g) In collaboration with civil society, develop programmes, plans and directives which increase the prevention, investigation and prosecution of property destruction and crimes of violence against foreigners.

- h) The inter-ministerial committee should play a more active role, interacting with the different African communities. Assist in running integration projects (culture, education, business skills, cooperatives etc).

Social Transformation

On Education

Noting

- The education is critical for the development of our country
- Continuity bureaucratization of the public service including education by appointing more Directors instead of teachers and psycho-social personnel
- We need to address the triple crisis
- There is a infrastructure backlog in education
- COSATU had adopted the adoption of school campaign
- Most COSA TU leadership are not participating into SGB's

Resolve

- All schools must be secured through the appointment of permanent security personnel.
- All taverns that are closer to the school must be closed down.
- Learners should stay until they matriculated or have obtained equivalent qualification in FET.
- We need a psycho- social support in schools and norms be developed to biasness into poor communities.
- We must start a campaign of reopening the abundant schools therefore we must encourage parents and workers to have their kids receive education at the place where they live.
- We need to deal with corruption and tenderpreneurism that happen in our schools.
- The other departments that are linked to schools need to be drawn in education e.g. transport, health, social development etc
- Recurriculation should be embarked upon in order to create a two stream system where learners are allowed flexibility based on evaluation to follow either academic, vocational field in the GET and FET phases. The recurriculation should include climate change and guidance as the compulsory subject
- The constitution of SGB's must take a similar approach as the employment equity by putting regulations relating to SGB's. We need to define explicitly role and powers of governing bodies. They must play the oversight role in school including the school transport and its vehicle roadworthiness. We need to emphasis of our members to participate in the School governing body including the leadership of the federation who has children still at school.
- Review the Post provision norms where the declaration of school establishment is made the national competency and that redeployment of teachers should take into account the needs of the communities.

- NEDLAC must play role in convening stakeholders or constituencies in provinces particular Business in implementing the Basic Education basic Accord.
- Learner teacher support material must be prioritized for rural and township schools. We need a centralization system for the sourcing of this support LTSM.
- There is a need for parental involvement in the learning of their children and QLTC be focused to encourage the participation of parents.
- We need to insist on the compulsory and free public education to the level of N3 or Junior degree.
- We need to decommodify the education system and stop subsidizing private school out of private funds.
- We call for the speedy opening of the teachers college
- We need a different cadre in the public service and campaign for a total change of mindset
- We call for the immediate closure of unregistered schools in towns with the Department of Education.
- There is a need of Capacity of human and capital development in the FET colleges
- Re-emphasis our adoption of school campaign
- We must refuse the education to be essential service
- The universities in Mpumalanga and Northern Cape need to respond on the labour market needs of these provinces.
- The nutrition to be expanded to tertiary institution
- We need to come up with the alternative on corporal punishment which will ensure discipline prevails in our schools.
- We need to have a link with the worker education to the education system
- We need to demand the social services around the school
- We need to have standardized point system to entry the tertiary institution or do away with point system at all
- We need to beef up the capacity of Public works as they are responsible for infrastructure development.
- Career guidance must make compulsory at schools.
- We must drive the campaign on the 1 million students to FET colleges as all the parastatals rely on FET colleges technical skills.
- The national department must have powers to decide on the allocation of resources in education.
- We call for the investment and the development in indigenous language for the use in our educational system.
- Call for the increase in the production of the researchers in the human sciences, natural science and IT.

- We support the post schooling green paper for expansion of skills development.

Health

Noting

- There were some areas that ANC has taken forward the Polokwane resolution like NHI implementation, Human Resource Development Strategy, rolling out of ARV's and some work on the state owned pharmaceutical company,
- There are lots of areas that the ANC has not done by taking forward the Polokwane resolution like reliable single health information system, government has not intervene in the high cost of health provision.
- It also noted that some of the resolutions in health are being proposed again like making HIV and AIDS notifiable and policy on African traditional medicines
- It is noted that there are poor management in some hospitals

Resolve

- We support the proposal of taking over of the central hospitals from provinces by national department of health
- We oppose the compulsory disclosure HIV status. We need to observe the right a person to disclose or not and do away with the separation que for ARV's. The right to privacy must be respected.
- We call for all hospitals to belong to NHI regardless of military or public hospitals
- We will work with the law enforcement agencies to root out corruption in the procurement and in hospitals
- We propose every district must have an hospital
- Lifestyle deceases and nutrition be brought back to the health discussion document.
- We need to change of the name of hospitals like King Edward VIII and all others that represent the colonization and apartheid name.
- Hospitals must be well resourced to have linen, security, ambulances and equipments
- An audit be conducted to determine progress by government on the implementation of the ten point plan and Millenium Development Goals (MDGs)
- We need also the ANC document to focus on the primary health care
- The preventative care must be central in the document as the prevention of disease is crucial.
- We need government a review of the emergency of services to respond to the nature of the emergency and up-skilling of the paramedics.

- Reemphasis of the 24 hour service including the human resources and apparatus.
- Need to have the maintenance of the hospitals even those which are not the pilot district.
- We need to increase our intake for doctors and nurses.

Social transformation

Social cohesion:

Therefore resolve

- Medical certificate by the registered traditional healers need to be accepted by employers.
- There is no proper communication on allied health

Sport arts and recreation

- We note that we miss the opportunity to create sport facilities in our areas during World Cup

Resolve

- We call for the indigenous games to be revive across the country
- We support the creation of ANC Sport and Creation desk as matter of urgency
- To have a campaign to take away youth from alcohol abuse, gangsters',
- To make sport as part of community development and extra mural activities must encouraged
- Proper role out of sport programmes in the rural areas
- The women's team need to be funded adequately as currently lack funding
- The document need to speak about sport codes for people live with the disabilities

Substance and alcohol abuse

Resolve

- The issue of rehabilitation is important. Therefore we need to have rehabilitation centre's.
- The Social Development, Education and Army collaborate in assisting the affected youth by providing survival skills.
- We need an integrated approach including sport; rehabilitation centre's to deal with alcohol and substance abuse.

- We need to banned the alcohol advertisement including the sponsorship of alcohol – **no agreement to be discuss in the plenary**
- The increase of drinking age – **No agreement**
- The portion of price increase of alcohol must go to the building of the rehabilitation of centres'
- We call upon the communities to be aggressive on the awareness campaign on the dangers of alcohol and substance abuse.

Basket of social service and social wage

Our social wage demands for Living Wage as adopted by 5th Central Committee focus on four core policy interventions that support;

- Access to education, skills and human resource development to redress apartheid labour-market deficiencies
- Universal access to affordable, quality healthcare through the implementation of a National Health Insurance Plan
- Access to cheap, reliable and safe public transport system
- Implementation of a national retirement/savings scheme

Youth development

- The need to create decent work for young people as mechanism to break intergenerational poverty.
- There is a need to have the integrated programme for youth which will include sport activities, training and development programmes
- We need a review of the operations of the NYDA including salary structure.
- NYDA should not be doing a NSFAS work by providing the bursaries.

ENHANCING SERVICES TO CHILDREN AND TRANSFORMING EARLY

CHILDHOOD DEVELOPMENT (ECD)

- Need to put more resources in Early Childhood Development especially in poor and working class communities in order to build strong foundation for quality education.
- We call quality and free education
- We support the funding and training of ECD practitioners including the design and implementation of a national ECD curriculum statement including the practioners in the main stream of conditions of service.
- We support legislated guidelines on providing the necessary infrastructure for ECD Centres including nutritional needs of all children attending ECD Centres

- We call for clear plans to improve access to the vulnerable groups (e.g. learners with disabilities, poor learners) as they are more likely to drop out or repeat a year.
- We will need to engage on the strategy when it is released

The provision of access to housing and the development of human settlement

- We support the consolidation of relevant policy, legislation and frameworks for better human settlements planning, resource allocation, development, implementation, monitoring and management
- The RDP called for broader community participation in the setting of standards and norms for the provision of housing. The RDP sets out the principles that should guide housing delivery as follows:
 - On quality, as a minimum, all housing must provide protection from weather, a durable structure, and reasonable living space and privacy
 - A house must include sanitary facilities, proper drainage, a household energy supply (whether linked to grid electricity supply or derived from other sources, such as solar energy)
 - Convenient access to clean water
 - Moreover it must provide for secure tenure in variety of norms. Upgrading of existing housing must be accomplished with these minimum standards in mind
 - The contractors who don't build quality houses must be banned/blacklisted to access government tenders.
 - We call for eradication of bucket system and closing of all toilets
 - Farm workers must be provided the quality houses.
 - We support the discretionary powers of local governments when it comes to providing shelter to the poor and vulnerable.
 - We support the review of funding and subsidy framework and architecture to improve outcomes and sustainability of programmes and projects.
 - We support the access of sanitation to be made the national priority including the provision of water, refuse removal, security of tenure, area lighting and transport access.
 - We support National Spatial Framework for Human Settlement that we allocate workers and people next to town and place of work.
 - We support the affordable rental although we encourage people own the properties and those who can afford must buy it and those who cannot afford the State must provide them.
 - We support the special attention to the development and promotion of Co-operative Housing Development model including dedicated legislation as we believe it will contribute positively in addressing the human settlements and housing challenges in South Africa.

- We support the state intervention in the access of finance for poor and working class household. The state will have to intervene in various aspects of human settlements finance chain, especially in the removal of impediments in the housing demand and supply side chain and the establishment of the alternative channels and methods housing and human settlements financing.
- The State must intervene in the management of shack dwellers and backyard dwellers.
- We will work with the law enforcement agencies to deal with the corruption of selling the RDP houses.

Policy recommendation in relation to vibrant, equitable and sustainable rural communities.

- We note that there is a slow progress in the distribution of land.
- We also note that the 2005 land summit resolutions have been not implemented fully.
- We note that there is a lot of land owned by the traditional leaders.

Resolve

- Increase the target for black land ownership it must include to 50% by 2017. Thirty percent is a completely inadequate target for land redistribution given the demographics of South Africa's population.
- Dramatically increase the funds allocated for land reform.
- We need the land audit programmes and time-frame of this audit
- Use expropriation powers more aggressively based on that particular audit
- Give priority to small and subsistence farmers.
- Pay more attention to the needs and interests of marginalised groups. Targets for the inclusion of women, youth and disabled people in land reform programmes are widely ignored.
- Commit adequate resources to promoting sustainability. Land reform is not about land transfers alone. Sufficient funding must be allocated to reform support programmes that can ensure the success and sustainability of land reform beneficiaries. The Comprehensive Agricultural Support Programme launched in 2004 is inadequate to meet these needs. The Land bank must play the active role. It must be able to support agricultural activities mostly for poor communities.
- Rural communities must have the same access of health and education like urban areas. We need the infrastructure development including roads, malls
- We need the incentives for workers (teachers, doctors, nurses, etc) who works in rural areas including the accommodation.
- We call the monotorium to foreign land ownership

Water provision for growth and development

Noted

- Access to clean water remains a dream for millions of South African.
- In adapting to increasing water stress, we have to ensure that at the same time those who currently have no access are given access.
- there has been a slow progress on allocation of water license to the previous disadvantage persons.
- Leaking municipal and domestic pipes account for massive daily wastage.
- Acid mining draining affects water in Gauteng, Mpumalanga, etc.
- The State had outsourced water to the agencies.
- There are illegal water connection by farmers and companies

Resolve

- Municipalities must address water wastage as it critical to save water by fixing the leaking pipes.
- The State must intervene on the pricing of water as high water prices add the burden to the poor and the working class
- Government must speedily increase the access of clean water in rural areas
- Government must fix the aging water infrastructure as the matter of urgency
- We must do away with Public Private Partnership (PPP) in the water sector and all public service.
- We call the transformation of water sector and skills transfer

The peaceful transition in South Africa (environment and sustainable development)

Noted

- Climate change constitutes some of the biggest challenges and dangers to the world's poorest and to the more than millions of people that are suffering from hunger every day
- If action is not taken, the possibilities for attaining the Millennium Development Goals and achieving sustainable development objectives will be seriously hampered.
- South Africa is amongst the world's worst polluters of the atmosphere, in terms of greenhouse gas emissions per capita and per unit of GDP.
- The reason for the high carbon-intensity of the economy is the combination of energy-intensive industries and dependence on coal: about 75% of primary energy supply is derived from coal, including over 90% of electricity generation and about 40% of liquid fuels.

- South Africa has an internationally renowned Constitution, which includes the right to an environment that is not harmful to human health and is experiencing accelerating economic growth, yet has the highest rate of inequality in the world about 25% of the population not having access to electricity and respiratory illness the second largest cause of infant mortality.

Resolve

- A truly sustainable development will be implemented with democratic governance, respect of core labour rights and adequate regulations and these are base line for sustainable development
- Decent work should be the core of a sustainable development as it helps to combat poverty, reduce vulnerability to economic, social and environmental changes and empower communities
- To advance to a green and fair economy, people need access to health, education, basic services such as water, energy and decent shelter, child benefits, income security, maternity protection, benefits for the unemployed and affordable public services

Green growth and job creation

Noting

- COSATU adopted the 'just transition' concept for climate change negotiations.
- COSATU 10th National Congress calls on government to invest in new green technologies in order to create new kinds of skills and jobs whilst reducing the carbon footprint.

Resolve

The basic demands of a just transition must reflect to the ANC document proposals which are:-

- Investment in environmentally friendly activities that create decent jobs that are paid at living wages, that meet standards of health and safety, that promote gender equity, and that are secure
- The putting in place of comprehensive social protections (pensions, unemployment insurance etc) in order to protect the most vulnerable
- The conducting of research into the impacts of climate change on employment and livelihoods in order to better inform social policies
- Skills development and retraining of workers to ensure that they can be part of the new low-carbon development model.

- There is a need for a fuller debate on how we deepen and broaden our efforts to achieve sustainability, which of course include fighting climate change.
- We support the waste management hierarchy which promotes recycling, reuse and recovery (3R's) of waste.
- We call for fast track the delivery of access to waste services in rural households.
- We call the media to educate the public on climate change
- We call the government to run a campaign to educate our members on the impact of climate change
- We will engage the ANC to discuss the issue of climate change
- We want the binding agreement from all countries
- We need a score card who is contributing so much in the climate change. We call the building of schools, roads, buildings must use the sustainable methods
- We want climate change to be included in the curriculum
- We call for the adaptation strategy to the impact of climate change
- We need the African solidarity driven by the South African government.