

WORKERS INTERNATIONAL JOURNAL

**Special
supplement**

Political and theoretical journal of Workers International (to Rebuild the 4th International)

In this special supplement of “Workers International” we publish the full text of the “True State of the Nation Address” issued by the United Front in South Africa on 11 February 2015, the 25th anniversary of Nelson Mandela’s release from prison.

THE UNITED FRONT was initiated by the National Union of Metal Workers of South Africa (NUMSA). We believe that this statement is of special interest to the People’s Assembly in Britain and people standing up for socialism all over the world.

NUMSA explained that for them the massacre of the Marikana miners “marked a turning point in the social and political life of South Africa”. It could not be “business as usual”. They put the question: “How do we explain the killing of striking miners in a democracy?” They had to conduct “a sustained and thorough analysis of the political meaning of Marikana”.

The leadership concluded that the decisions of the union’s ninth Congress “were no longer enough to guide [them]. The situation had changed to a point where [they] needed a new mandate from the membership”, and their Special Congress in December 2013 decided to break with the African National Congress (ANC) and the South African Communist Party (SACP) and call upon the Confederation of South African Trade Unions

(COSATU) to re-establish its independent campaigning role, for “there is no priority more important than safeguarding the capacity of the working class to act in its own interests”.

In so doing NUMSA raised matters of vital importance for workers everywhere “engulfed by the crisis of capitalism which manifests itself in mass unemployment, deepening poverty and widening inequalities”. To end the rule of capital, workers are faced with the task of breaking with fake “socialist” and “communist” parties acting on behalf of the capitalist class and “failing to act as the vanguard of the working class”.

The Special Congress therefore decided on a new united front to coordinate the struggles in the workplace and in communities, to explore the establishment of a Movement for Socialism and to conduct a “thoroughgoing discussion on previous attempts to build socialism as well as current experiments to build socialism” and “an international study on the historical formation of working class parties”.

Workers International Journal

Political and theoretical journal of the
Workers International to
Rebuild the 4th International

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THE TRUE STATE OF THE NATION ADDRESS

A JUST AND CORRUPTION-FREE SOUTH AFRICA IS POSSIBLE

BY THE UNITED FRONT

11 February 2015, Townhouse Hotel, Cape Town

Exactly 25 years ago today, rays of hope shone upon South Africa. A few blocks from this hotel, the late President Nelson Mandela addressed thousands of people at the Grand Parade after his release from prison. This was on 11 February 1990. It was nine days after the unbanning of political organisations. His first words were a declaration that he stood at the City Hall's balcony "not as a prophet but as a humble servant of the people". His second preliminary comment was a crisp 'State of the Nation'. He said:

"Today the majority of South Africans, black and white, recognise that apartheid has no future. It has to be ended...The destruction caused by apartheid on our sub-continent is incalculable. The fabric of family life of millions of my people has been shattered. Millions are homeless and unemployed. Our economy lies in ruins and our people are embroiled in political strife. We have waited too long for our freedom and we can no longer wait."

When Mandela uttered these words there was hope that the time for opening a new chapter in South Africa had arrived. We all hoped that the moment to end unemployment, restructure the economy, rebuild the lives of millions of families shattered by apartheid and capitalism, provide houses for our people and forge bonds with our brothers and sisters in the sub-continent had arrived.

Twenty-five years later, we must ask and answer ourselves whether there has been any fundamental shift from the conditions of the majority that Mandela painted on 11th February 1990. Secondly, we must ask and answer ourselves whether the leaders and elected public representatives that we have are the "humble servants of the people" as Mandela presented himself on that historic day, 25 years ago.

To answer these questions, the United Front has decided to put forward this Alternative State of the Nation Address (SONA) a day before President Jacob Zuma presents his misdiagnosis and tokenistic solutions. In our view, what we present here today is the True State of the Nation. The official SONA and the opening of Parliament have become a naked display of power and unashamed greed of the elite. Sadly, far from being humble servants of the people all our politicians have become the new self-serving Wabenzi.

As it has always done, the ANC government is going to dress up the SONA and the 2015/2016 Budget under the misleading language of a caring developmental state which will even include a few concessions to social expenditure. Yet, in light of the ongoing global economic crisis and its low growth implications for South Africa the substantive content of the 2015/2016 Government Programme of Action and the Budget will be about austerity.

In 2009, President Zuma's government prioritised job creation, health, education, rural development and crime. In his Presidential inauguration speech in June 2014, President Zuma stated that the 2014-2019 term of government would be that of radical socio-economic transformation. This is repeated in the ANC January 8th Anniversary statement for 2015 and in the recent statement of the ANC NEC Lekgotla. Indeed, in line with the hollow rhetoric of these ANC commitments President Zuma will announce some concessions to the people's demands but these will be on the same untransformative path of the last 20 years.

As we demonstrate with a few examples in this Address, the ANC government has failed to deliver its good-sounding electoral promises. All President Zuma's SONA will amount to is political rhetoric that does not break with the neo-liberal policies the ANC government has committed to in the National Development Plan (NDP). The NDP's overarching long-term commitment to neoliberalism can be seen in its emphasis on export-led growth, public infrastructure investment to lower costs of doing business, its use of hundreds of billions of rands for infrastructure mainly for the sake mainly of subsidising corporations associated with the minerals-dominated sections of the economy, its amplified commitment to free markets, its ongoing inflation targeting which is a euphemism for high interest rates, worsening fiscal austerity, low taxes on high incomes and privatisation of tens of billions of rands in state assets.

Through the presentation of this True State of the Nation, the United Front exposes the reality of life for the majority under the failed ANC government, provides an explanation for the core causes of this failure and makes a call to all who live in South Africa to reclaim the country, its politics and its economy from below: in the democratic and accountable service of the needs of the

majority. This presentation therefore undertakes an intensive analysis which covers a number of areas in some depth.

As a new non-party political actor, the United Front is a broad front and fighting organ to unify and build solidarity, victories, confidence and power of workers, the unemployed, rural and urban people in the long journey where the mass of the people in our country can actively imagine, fight for, craft and construct the transformed South Africa and world they want from below.

Our vision for this South Africa is that of a democratic, egalitarian society characterised by social, gender, economic, political and ecological justice; without huge inequalities, disparities, poverty, the legacies of colonialism and apartheid, corruption and unaccountable government; a society whose mineral, land, marine, water and other natural/ecological resources are sustainable and democratically owned, managed and controlled in the public interest; a society characterised by human dignity and a decent life for all; and finally, a society that treasures and nurtures children. Initiated by Numsa, the United Front brings together and unites a diverse range of trade unions, civics, youth organisations, women's organisations, social movements, other popular organisations, faith-based organisations and NGOs.

PRESIDENT ZUMA'S GOVERNMENT IS A FAILURE: THE REAL STATE OF THE NATION

The policies, programmes and actions of President Zuma's government have left a trail of inequality, hunger, poverty and misery for the overwhelming majority of the people. It is not an over-statement to recognise and state that after some 20 years of ANC rule, deepening social, political, economic and ecological crises face South Africa. This government is proving incapable of solving these crises.

An increasing number of people who live in this country are recognising that the South Africa of today is not the one of our dreams. It is not the country we deserve and demand. This South Africa is not meeting the needs of its young people. The majority of the people do not have a life of decency, decent jobs with decent working conditions and a living wage, rights, democracy and equality. Our country is drifting into a living hell for the majority.

Whatever gains were made in some of the post-apartheid progressive laws and policies, these have not significantly impacted on inequality in our society. There are also anti-poor laws that serve the interests of the elite. Our celebrated Constitution mandates government to transform South Africa into a country of equality, dignity and justice. Yet many of us are hungry, without housing, have little access to basic services and suffer high levels of violence. Our celebrated Constitution calls on us to

participate actively in our government. But we are increasingly alienated from government, shut out of decision-making and severely punished for protest and dissent.

The United Front does not support the majority of the political parties in parliament. They are primarily interested in getting our votes. Politicians earn high salaries and many are involved in corruption. Some of the provincial governments cannot deliver textbooks to all schools on time. This year the Eastern Cape government will leave more than 30,000 learners without transport to distant schools. The Western Cape provincial government stands for the exploitation and oppression of farm workers and perpetuates neo-apartheid geography and service delivery. Eskom cannot keep the lights on. Year after year, South African Airways has to get massive bailouts. The overwhelming majority of state-owned companies and public institutions are compromised and weakened by the narrow political and economic interests of elites.

Corruption is everywhere, and as the old saying has it, the rotting fish smells from the top down. A year ago, Price Waterhouse Coopers recorded our corporate elites as the world's most corrupt. The announced allocation of R1 trillion for mysterious nuclear energy purchases, probably from Russia, terrifies the society. The Gupta family used our national defence assets to ferry guests to a private wedding, and the man responsible was rewarded with a choice European ambassadorship. Government continues to defend the use of R226 million to upgrade President Jacob Zuma's private home.

Many workers earn poverty wages. Many more are not employed and live without food for days. Unemployment is rising. As if that was not enough, many more are homeless and landless. Poor communities bear the brunt of environmental damage caused by old and new industries. Mining is increasing land dispossession and destruction of the environment. Large amounts of state funds are spent on luxuries for the politically powerful, while many struggle to put food on the table. Public health services and schools are failing. Inequality is widening when it should be narrowing. Only a few are doing well. A small minority continues to own and control the economy and resources of our country. Racism and white privilege continue.

There is a war against the bodies of women, girls and lesbian, gay, bisexual, transgendered and inter-sexed people who live in fear of a constant threat of violence. Too often, our police force, prosecutors and public service have acted without integrity or justice. Through the Traditional Courts Bill and the Secrecy Bill, our people are being robbed of their democratic rights. There is no social justice in South Africa.

We are seeing the sustained entrenchment of other undemocratic tendencies in our government and the private sector. Important decisions are taken behind closed doors in the interests of few and at great expense to the majority. When people protest about inequality, poverty, pollution, land dispossession and lack of access to basic rights, many senior political leaders do not take their messages seriously, label them and attempt to silence them. Increasingly, the very protests that are a sign of the democratic spirit are met with terrible state violence, with such incidents occurring, according to the police, more than 1,900 times last year. Police brutality left 34 protestors dead in Marikana.

In the face of what we describe, the elected representatives of the people in parliament spend more time defending the decisions of their party bosses than promoting the rights of the people.

Business is satisfied with a government that cracks down on workers and communities claiming their rights to protest. Business also wants more of our national wealth for itself, as it lobbies hard for austerity. It wants policies that protect the wealthy, destroy the environment and limit our democratic rights.

THE SOCIAL AND ECONOMIC DATA TELL THE REAL STORY

From 1994-2012, those below the \$43/month “national poverty line” rose from 45.6 to 47 percent, according to a leading UCT economist. Yet tomorrow, President Zuma will claim that under ANC rule poverty has declined. Alongside this claim, President Zuma will again trumpet how the ANC government has high social expenditure. Yet, we have seen only a very modest post-apartheid increase in social spending, with inflation-adjusted child and old age grants substantially lower than they were during apartheid. We have comparatively low social expenditure when assessed against both the Organisation for Economic Cooperation and Development (OECD) countries and emerging economies. The recent rebasing of the poverty line, required because inflation for poor people is worse than it is for the wealthy, increases those considered poor to 55%.

The state claims 95% of people have access to water, but the *Mail and Guardian* reported in February 2014 that the Department of Water Affairs admitted that only 65% of the population has flowing water, and that includes millions in shacks and rural areas who must queue at communal taps and who don’t have toilets. Water, sanitation, housing and electricity are about basic dignity and are basic needs. They affect large numbers of people. Twelve million people live in informal settlements in urban areas. A large majority of these and others in rural areas are without water and sanitation. Accessing a communal toilet in an informal settlement or a rural village is dangerous for women and children, and the

state’s failure to empty these is notorious.

When it comes to housing, the 4 million houses built by government since 1994 are half as large, and constructed with flimsier materials and poorly built compared to apartheid matchboxes. A large number of them use self-disconnecting water and electricity meters, which allow municipalities and Eskom to overprice services compared to wealthier areas. They do not have adequate services: only sporadic rubbish collection, inhumane sanitation, dirt roads, no streetlights, no sidewalks, and inadequate storm-water drainage. Most of this housing is located even further from jobs and amenities than under apartheid.

Official unemployment is estimated at some 25% of the workforce, but real unemployment is close to 40% (representing some 7 million people) when discouraged workers and some 2.8 million “homemakers” are included in the count. Youth are the majority of the unemployed. In large regions, unemployment is close to 70% of the local workforce. South Africa is the most unequal major country in the world with a GINI Coefficient of income of 0.77 (where 1 is complete inequality and 0 is total inequality), which is higher than it was in 1994. Although the state social wage lowers this extreme inequality by some small amount, the state’s vast corporate subsidies raise it even higher. Close to a third of the formal workforce is casualised, through informal labour broking. As a result, half of our 13 million workers earn less than R3,500 a month.

Where is the money in our country going? After a corrective revision of under-estimated figures from the 2012/13 financial year, the South Africans Reserve Bank has shown that the net official income outflow for that year was a massive R191 billion. There are even more escapes through corporate tax avoidance. According to Wits economists illicit capital flight averaged 12% of GDP between 2000 and 2007, peaking at 20% in 2007, much of it due to transfer pricing in the mining sector. Over the years 2009-13, this net flight of profits, dividends and interest was 21 times higher than our net trade deficit.

In 2011, some 2,500 legally registered mining companies in South Africa made R168 billion in profits. That is the official figure. We don’t know what profits they hide and what they send abroad illegally. According to the latest report from Global Financial Integrity, R300 billion from profits was illegally sent out of the country in 2012 alone. This does not include the profits of labour brokers, who employ more than 30 out of every 100 mineworkers at wages worse than those of a permanent worker. Out of about 2,500 mining companies, only some 500 declare profits for tax purposes. This is a scandal. By hiding their profits and mis-invoicing their inputs and outputs, they avoid paying a fair share of taxes – the monies

used by the state to provide basic services to communities.

The big corporations, like Lonmin, De Beers, Anglo and others, use their affiliates abroad to avoid showing their profits. Less than R69 billion of the official profits of the mining houses was used in 2011 for improvements of machinery, buildings and opening of new shafts. Of the remaining R99 billion, only R10 billion was paid in taxes. There remain R90 billion rand unaccounted for. Lonmin alone, just for the years 2008 to 2012 transferred in commission fees \$160 million (then worth R1,231 billion) to its subsidiary, Western Metals Sales Limited based in Bermuda, a well-known tax haven. A further \$155 million was paid in management fees to Lonmin Management Services. These amounts were shifted from Lonmin's South African operations and effectively put out of reach of possible wage demands. According to University of KwaZulu-Natal researchers, DeBeers mis-invoiced R30 billion of diamonds between 2006 and 2012. Official discourse, such as the 494-page National Development Plan, hardly ever mentions this illicit capital flows, even though the recent report to the African Union by former President Thabo Mbeki has shown the cost to Africa in recent decades is well over R10 trillion.

In addition, South Africa continues to experience a significant legal outflow of profits and dividends through the liberalisation of exchange controls. All this puts additional pressure on the current account as exports fail to keep up with imports, opening the space for speculation on a periodically collapsing rand. As if this massive drain from capital flight was not enough, at the end of January the Institute of Internal Auditors said that South Africa had lost R700 billion to corruption over the last 20 years. Clearly, we are a country with sufficient resources to end poverty and hunger, and to create a life of decency for all who live in it. But a tiny, unaccountable elite controls all this wealth.

This minority control of the economy can be seen in the profit rate in the non-financial corporate sector that more than doubled between 1994 and 2012 to 13.5%. A large study by Credit-Suisse compared the largest companies listed on the Johannesburg Stock Exchange to more than 30,000 competitors across the world. This study found them to be amongst the most profitable anywhere in the world. The International Monetary Fund reached the same conclusion in 2013 when it ranked our corporations the third most profitable on earth. The *Business Report* reported in February 2013 that South African non-financial firms were hoarding at least \$40 billion in what is considered idle capital instead of reinvesting the money in plant expansion and jobs. Returns for shareholders have been consistently breaking records even after the global crisis. But this has not translated into fixed investment which averaged below 17.5% of GDP from 1994 to 2013, compared to 26.4% during the apartheid hey-day of the 1970s.

In most of the South African media, we hear the following unfounded statements as causes of unemployment: the cost of labour is high, labour laws make the labour to be inflexible, and the labour market's lack of flexibility frustrates growth. Based on all available economic data, these claims are simply untrue.

The cost of labour is cheap. South Africa is still characterised by cheap black labour. Wages remain low for the majority. In fact, the only wages that have increased are those of high earning, "highly skilled" managers and professionals. Political economy research by the Alternative Information and Development Centre has shown that for the top 10 percent of workers, average wages increased by R4,115 between 1997 and 2011 to R15,028. For most other workers, incomes have struggled to keep pace with the higher levels of consumer inflation experienced by poor households. The median wage in the economy declined from 1997 to a low of R2,451 in 2003 before recovering to R3,038 in 2011.

The low-wage economy was reinforced from 1994 to 2012, as the ratio of surplus going to capital versus labour shifted 5 percent in the direction of capital. This shift amounts to more than R550 billion which left workers' pockets as wages and became profits. Stripping out the remuneration of managerial employees, the labour share shows a decline from 56% in 1994 to 45.3% in 2007. In agriculture, coal and platinum mining, the wage share of new monetary wealth created each year stands at a low 30%. Given this huge wage inequality gap, this means that the wage share reaching most of the semi-skilled and unskilled workers is far less than the aggregate figures reveal.

All the above demonstrate an ANC government that is adept at turning a blind eye to profiteering and capital flight, while only demonstrating perfunctory efforts to deliver state services and social grants to the under-represented low-income majority. The size of a state grant to keep a child alive in a poor household is so low as to be tokenistic, and in inflation-adjusted terms has shrunk a massive 40% since apartheid's grants to white, Indian and 'Coloured' children. The Treasury anticipates that the amount of GDP spent on social grants will shrink from 3% to 2.3% in coming years.

The above demonstrate how the ANC government has stuck to the neo-liberal economic policy script of private sector-led capitalist growth as the silver bullet to all our socio-economic problems. As promised in the NDP, this policy regime has included inflation targeting, high interest rates, punitive fiscal discipline, casualisation and informalisation of work, liberalisation and deregulation of key economic sectors, massive subsidisation of capital-intensive and carbon-intensive corporations, loosening of exchange controls and worsening dependence on external financial flows. As profits flow out, they require foreign

borrowing, so our foreign debt has doubled since 2009 to a dangerous \$140 billion, the same ratio to GDP that PW Botha faced in 1985 when he defaulted.

Consistent with this neo-liberal logic, the ANC government has not fundamentally transformed the economy away from its domination by minerals, energy and the financial sector. Its failure to do so has resulted in increasing unemployment, increasing exploitation of workers and growing inequality. The amount we spend on social services and redistribution is pitiable given the extent of the crises in the majority of our households. As a result, personal defaults on consumer debts have soared, and the National Credit Regulator records the 'credit impaired' sector of our 21 million formal sector borrowers recently reached a record high of nearly 50%.

THE ELECTRICITY CRISIS

The load shedding we all suffer, as Eskom shuts off power stations for increasingly urgent maintenance, has clearly focused our minds on the energy options we face. Not only will consumers be affected by load shedding for years to come, according to Eskom, but publicly-raised money will be injected into the cash-strapped state utility so as to buy diesel to enhance capacity, at R3 kilowatt hour, in comparison to the usual electricity production cost of R0.40 kWh. In addition, Eskom claims it urgently needs R250 billion to upgrade ageing infrastructure.

In October 2014, government said it would privatise "non-essential assets" to raise R20 billion for funding for Eskom, but it is rumoured that R85 billion of the family silver may actually be sold in coming years. The 1998 White Paper on Energy Policy predicted that energy shall run out by 2007, but the ANC government did not build more power plants. Instead, its neoliberal ideologues were committed to Public Private Partnership electricity privatisation but foreign corporations did not want to build capacity and sell at the prevailing low prices, so attempts to attract new investment failed.

The irony is that Eskom's long-delayed renewable energy strategies can deliver electricity much more quickly and cheaply than supposedly reliable coal, whose generators gum up with filth and require longer maintenance down time, whose coal dust becomes wet like soup during the more intense rains associated with climate change, and whose storage silos crack. Coal-fired electricity generators require extremely destructive mining in the Limpopo, Mpumalanga and KwaZulu-Natal coal fields, a process that is wrecking our water system and filling our land, our air and lungs with toxins. The carbon dioxide (CO₂) outputs of Medupi and Kusile will each be greater than the entire CO₂ emissions of 115 countries, at 30 million tonnes/year.

Our carbon-saturated planet cannot be abused so badly without us facing climate crises across our continent, with

200 million Africans anticipated dying early as a result of droughts, floods and extreme weather this century.

What is clear to the United Front is that over the last 20 years, little has changed in the country's electricity industry aside from a paltry amount going to the 50% of households to whom apartheid had denied electricity connections (with another 15% still to be serviced). Too much electricity is consumed by capital-intensive multinational corporations and rich individuals while poor people consume too little power.

The repeated claim by President Jacob Zuma and ANC leader Gwede Mantashe that the reason for load shedding is the generosity of the ANC government in providing electricity connections to poor black people after apartheid ended, defies logic. The claim is strange, partly because the ANC's own controversial Chancellor House/Hitachi R38.5 billion boiler-making contract with Eskom was not fulfilled on time, as 7,000 boiler welds had to be redone, but mainly because the new black consumers use less than 2% of all available electricity.

Not only has power become extremely expensive in the last eight years for low-income people, many new electricity consumers suffer a mere 20 ampere connection (compared to apartheid's 60 amps), so they are unable to connect multiple appliances. And the 50kWh of Free Basic Electricity is terribly inadequate. Price increases of more than 150% since 2007 mean that poor people have begun substituting dirty energy like paraffin and coal, inside the house, which has especially adverse effects on women and children's health.

The entire electricity system needs a reboot, and the huge subsidies to foreign corporations must be halted as an emergency measure. We urgently need to switch to renewable energy. In contrast to the years of delays and strife at the Medupi and Kusile plants, which cost hundreds of billions of rands for 9,600 Megawatts of power (at R40 million/kWh), Eskom's newly constructed wind farm will deliver 100 MW (at just R27 million kWh). Such renewable projects, consistent with the Million Climate Jobs campaign, should be constructed across our wind and sun-swept country in coming months, putting our construction sector back to work, rather than building a third coal-fired plant or toying with high-risk, high-corruption nuclear energy.

The United Front calls for an emergency civil society conference on the electricity crisis to hammer out the best immediate and medium-term strategies to achieve pro-poor, democratically controlled and ecologically sustainable energy futures and systems. Attempts to find solutions in the 'war rooms' of government and the Energy Intensive User Group lobby – the 31 companies which consume 44% of our power at extreme discounts (BHP Billiton gets more than 5% of our electricity at 1/10th the price we pay) – are not only undemocratic but

give more power voice to those who created the mess in the first place.

The United Front calls for a judicial commission of enquiry to investigate contracts and tenders that Eskom management has entered into with contractors (including senior management packages and remuneration; the voluntary retirement packages; the years of delays in building Medupi and Kusile; and the relationship between consultants and Eskom employees). The commission must also investigate the conditions and impact of loans that Eskom receives from capital markets.

THE EDUCATION CRISIS

Since 1994, a minimum of 2 million learners have left the schooling system after completing Grade 12 exams. The majority of these do not have a minimum pass required to enter post-matric education. The quality of the pass is so poor and low such that the majority of these young people are unemployable as industry is looking for labour that can function almost immediately (despite a statutory skills development levy, industry has spent very little on vocational training). These young people are without skills to enter economy or study further. These are millions of young people without a decent life and a future. Many of these young people find themselves caught in the vortex of a deep social crisis of frightening proportions. As should be obvious, this crisis is rooted in the mass unemployment, poverty and inequality that the ANC has been unable to address. This social crisis can be seen in how solidarity within working class communities is breaking down with the poor turning on each other to survive. We are seeing horrific levels of rape, domestic violence, child and women abuse, crime, substance abuse, gangsterism and xenophobia.

Whilst the introduction of the regulations on the Minimum Uniform Norms and Standards for School Infrastructure ('the Regulations') must be applauded, as the Equal Education Campaign has pointed out the relevant regulations do not apply to schools that are currently in the process of being built and improved upon or that have been scheduled to be built or improved upon in the Medium Term Expenditure Framework (MTEF) periods from the 2013/14 financial year to the 2015/16. This significantly undermines the purpose of binding norms – as a means to hold the Department of Basic Education (DBE), the Minister, and government accountable. As EE told the parliamentary committee on education in 2014, the Accelerated Schools Infrastructure Delivery Initiative (ASIDI) has experienced significant reductions in financial allocations due to departmental under-expenditure.

Compelled to appear before the SA Human Rights Commission in 2012, the Department of Basic Education promised that every school in the country would have

access to potable water and adequate sanitation by March 2015. This has of course failed dismally.

Access to post-school learning and training opportunities is still not the automatic option for many learners. A large number drop out even before they reach Grade 12. Even for those who write Grade 12, poor passes, limited places of study, high tuition costs, the inadequacy of the National Student Financial Aid Scheme, insufficient accommodation are significant barriers to access.

The education crisis is a systemic and institutional one. Free universal public education is required from the most basic level to the tertiary level. There also needs to be a comprehensive review of the curriculum and a conditional grant focusing on basic adult education and one for teacher training.

THE STATE OF HUNGER

In 2015, 55% of our South African citizens live in poverty and 23% live in extreme poverty, unable to afford basic food with energy to keep them alive. According to the Oxfam report on inequality in South Africa, even though 16 million people receive social grants, this is inadequate to halt debilitating hunger. After 20 years of democracy, less than half (46%) of South Africans have consistent access to nutritious food, and 1 in 4 children under the age of 3 experience stunted physical growth and mental development as a result. Women face hunger more often than men due to disparities in income, limited access to employment or unavailable means of production. Hunger and malnutrition strip away people's dignity. In contrast, the richest two people in South Africa have wealth equal to 50% of the poorest 26.5 million of the population. Because of state policies and capitalist economic dynamics, inequality in South Africa is worse in 2015 than at the end of apartheid.

Corporate control of South Africa's food system and agrarian economy is one reason for widespread hunger in the majority of households. The main economic actors in agribusiness and upstream and downstream of farming have inordinate power and control over the food value chain. Since 1994 corporate actors have consolidated their control and power over the food system and enjoy high and rising profits, with Whitey Basson claiming a salary of more than R130 million one year as a result. Collusive agreements have been found even in the production and sale of bread itself. Only 6 companies dominate the corporate retail sector, controlling 94% of the grocery market between them. The food-processing sector is equally concentrated, with just 5% of the food manufacturing companies producing over 75% of output. The crisis is further exacerbated by the failure of land and agrarian reform. Only 7% of land has been transferred through land reform since 1994, far short of the modest

target of 30% in the Reconstruction and Development Programme. Many of those who have received land still suffer under the limits imposed by a lack of agrarian reform: lack of support, difficulties in accessing water, obtaining finance and finding markets for their produce. Broader apartheid patterns of rural poverty have remained largely intact while income inequality has also increased inside the food system with Shoprite workers earning R3,600 a month, a fraction of Basson's take. Even after their inspiring strike victory in 2013, farm workers are also some of the lowest paid in the South African economy. The R105/day they won was clawed back by most farmers through all the other systems of power they exercise on the farm, such as transport, credit, retail shops and services.

The neoliberal ANC government maintains an agricultural and food economy that fails to meet the needs of this country's citizens. It has continued the process begun in the 1980s of liberalising and deregulating the agricultural sector. The 1996 Agricultural Marketing Act removed all state marketing support to farmers, leaving them to the destructive competitive logic of the market and subordination to corporate procurement procedures. This exposed the sector to global market forces, reducing the number of farms producing South Africa's food output and leading to unemployment. Liberalisation also allowed food companies to be shaped by global agricultural trends.

At the same time, the South African government has drafted a string of policies and strategies aimed at rural development and food security. But these are subordinated to the liberalised and deregulated agricultural policy framework. And they have been poorly conceptualised, randomly and inconsistently implemented, and they fail to tackle the tougher issues of lack of land and agrarian reform, corporate power in the food system, or the impacts of globalisation on the food system. The state has failed to regulate the food system in the interests of its citizens, preferring to play by the rules of capital and globalisation. The Department of Agriculture is currently in the process of completing a Food Security and Nutrition Policy for South Africa, but its formulation has involved virtually no input from ordinary citizens, let alone the 14 million currently suffering from hunger.

The South African Medical Research Council reported that intimate partners killed 57.1% of women murdered in 2009. This not only represents an increase from 50.3% a decade earlier, but also is out of pattern with global statistics which indicate that intimate partners carry out 36.6% of female homicides around the world. Another way of looking at this is that we would cut the murder rate of women in South Africa by more than half just by eliminating murders by intimate partners and so-called lovers.

Gender-based violence and in particular violence against women, is one of the most expensive public health problems globally and has a fundamental impact on economic growth that can span several generations. More than 30 studies, mostly from developed countries, have attempted to quantify the costs of various forms of violence against women. These studies focus largely on the costs of services, and the economic losses due to lost output, decreased productivity and lower earnings resulting from violence.

While the estimates per country vary depending on the scope and focus of the study, the magnitude is clear. Some of the most comprehensive studies, in both developed and developing countries, estimate the cost of violence to be between 1-2% of GDP, and these are widely accepted to be underestimates, given the conservatism of the methodology and the gross under-reporting of violence.

Earlier this month, exactly two years to the day after Annene Booysen was found brutally raped and disemboweled in Bredasdorp, a five-year old girl, Kayde Williams, was found dead in the same area, also after being raped and murdered. These two Bredasdorp murders, two years apart, signal a failure on the part of the South African government to follow through on its many commitments to ending rape and domestic violence, including abject failure to develop a national strategic plan on gender-based violence.

When Booysen was attacked, and graphic details of her murder hit the headlines and shocked the nation two years ago, President Zuma, spoke of the need for unity in action to eradicate the "scourge" of gender-based violence in South Africa. In his SONA then, President Zuma urged the National Council on Gender Based Violence, which had been established the year prior, to make combating violence against women an "everyday campaign." But in the two years since, we have not seen a commitment to ending gender-based violence in the daily words and actions of government. Instead, rape and domestic violence have continued unabated every day. In the two years between the rape and murder of Booysen, and the rape and murder of Kayde, incidences of gender-based violence have occurred with numbing regularity all across the country, and the total number of rapes and murders that are estimated to have occurred during this time range from the hundreds of thousands to more than two million.

Now, on the eve of his eighth SONA, the United Front joins calls by South African civil society for President Zuma to commit to developing a multi-sectoral, fully costed national strategic plan to address gender-based violence. Again this year we urge him and his cabinet to ensure meaningful follow-through to address and prevent gender-based violence.

ENVIRONMENTAL DECLINE

There has been a general decline in the state of the environment since 1994. Economic policy options reinforce a development pathway that will continue to devastate our communities and the environment. These reinforce the dominance of South Africa's minerals-energy complex, which is disastrous for South Africa's people, economy and environment. At a time when we should be reducing our carbon emissions and relying much more on the wealth of potential for renewable energy with which South Africa is blessed, government has instead committed South Africa to spend enormous sums adding some of the world's most carbon-polluting projects to our portfolio of emissions. This merely accentuates the energy-and-carbon-intensive nature of the economy South Africa has inherited from apartheid.

As with coal, the ANC government's commitment to fracking is cause for great concern. Stories of environmental devastation from fracking operations continue to emerge from around the world. The intense use of scarce water resources represents an environmental and social disaster. The enthusiasm for fracking in South Africa has more to do with possibilities for enrichment under the guise of BEE, once again at the expense of our natural environment and water resources, which are already under strain. Similarly, the reiterated commitment to nuclear reflects precisely the wrong approach. As news continues to radiate out of Fukushima about the still-unfolding crisis of the nuclear catastrophe there, we are reminded that the inherent dangers posed by nuclear energy are enormous, including safety and waste.

Less widely known is that despite the nuclear industry's hype about it being an alternative to coal, nuclear is far from "carbon neutral". Nuclear also reinforces centralisation of the energy supply, and the commitment to "megaproject" development, which creates enormous space for corruption and patronage. Perhaps most telling, even Germany – which enjoys far higher levels of technical capacity than South Africa – has abandoned nuclear and is rapidly and massively scaling up its renewable energy production.

RETRIBALISATION OF THE COUNTRYSIDE AND OTHER ATTACKS ON DEMOCRATIC RIGHTS

The ANC government is increasing its systems of social control, including in rural areas. The re-tribalisation of the countryside is one key measure in this regard. Underneath the radar, the ANC has used legislative power and control of the fiscus to extend de facto judicial, governance and land management powers to the chiefly elite who hold sway over some 45% of the population located in the dense, long-collapsed rural economic zones of the former Bantustan homelands. This has been done through the

resuscitation of apartheid-era tribal boundaries and authorities which are now becoming an unlegislated fourth tier of government. The former homelands are being turned into zones of social control in order to maintain loyal electoral support for the ANC. In these zones, the ANC scored at least 75% of the vote. These zones are shaped on the basis of re-tribalised, conservative notions of identity whilst also reinforcing apartheid spatiality, thus cementing-in permanent under-development. This is turning rural people away from being citizens of a post-apartheid democracy into silenced, passive subjects of a reified chiefly elite.

In addition, there are other anti-democratic measures such as the infamous Secrecy Bill, increased use of police violence against protests, the increasing takeover of the media through ANC control of the public broadcaster and buyouts of private media by ANC-aligned black business owners, the threats by ANC functionaries to shift advertising from any press offering sustained critique, and the use of state resources to build huge reserve funds for use by the ANC as a whole and for factional interests within the ANC. In this context, the ANC has also repeatedly taken action that amounts to the delegitimation of the 1996 Constitution which provides a fairly progressive framework for transformation despite limits. Although the liberation movement played the seminal role in shaping a progressive transformative mandate for post-apartheid change it has succumbed to pressure to protect and absolutise inviolable property rights. The current delegitimation of the Constitution has undermined provisions for participatory democracy and socio-economic rights, whilst asserting those features that give power to the national government.

A WEAK AND COMPROMISED POLITICAL LEADERSHIP

There is still no clear plan to address the administrative, financial and service delivery crises facing the majority of provincial departments and municipalities. In essence, President Zuma's cabinet represents the absence of a solid, committed and well-organised block within the state who would be the driving force for serious reform. This cabinet leaves South Africans without confidence that the state will no longer be used as a vehicle for accumulation by ANC politicians and aligned state managers and private cronies. An important factor is the political instability that will arise in the battle for succession, as happened in 2006-08. This will affect the functioning of the state at all levels.

The state of this cabinet and its governance programme means that the economic elite will continue to have a free hand, and that any expressed concerns over corruption will not be backed up by change.

WE MUST CHANGE

All we have said up to now amounts to one loud unequivocal statement: the ANC government has failed the mass of the people; the ANC government has failed the promise that 11 February 1990 held for the majority. If we continue on this path the poor will remain poor for a long time to come. Many more will become poorer. Inequality and massive public discontent will grow. This is not what we fought for. This need not be.

Given the picture painted above, it is not a surprise that we have massive social upheaval as represented by the latest outbreak of xenophobic violence. It is not surprising that, with so much degeneration of our leadership, the society's worst features are on display, including police repression, repeated racist incidents, violence against women, child and elder abuse, homophobia and a tightening of the many layers that protect class power.

This Alternative SONA is a call to action.

The Marikana massacre, the anger of workers who went on wildcat strikes immediately thereafter, the 100,000-strong mineworkers' strike from August to November 2012, its continuation in the 5-month strike in 2014, the historic farm workers' rebellion of November 2012 to February 2013, sustained local explosions against failed promise of a decent life, the political break by NUMSA from the ANC and the SACP and their successful mid-2014 strike, the more than one million votes for the Economic Freedom Fighters: these are all important developments which mark the beginnings of a deep rupture with the post-apartheid social consensus. These are serious challenges to the ANC as the glue that holds society together.

We are a country rich in resources, leadership and ideas. We, the United Front representing a growing coalition of people of conscience who live in South Africa, shall not allow this rot to continue anymore. We shall work together to build the power of ordinary people to change this country forever. This is our moment – we are the ones we have been waiting for. We must act now to build a mass movement of the people to reclaim a truly just and democratic South Africa from below. No to the noise of political parties! None of them represent the genuine interests of the people!

The birth of the United Front is part of broader historic shifts in our country's politics. Indeed, we are at a critical point in our history. Moments like these do not come around often. Either democracy must be deepened and greatly extended, or it will be lost to us. It is time to reassert and reclaim people's power over government. It is time to rally a strong political voice, based in communities, workplaces and schools, for social justice, redistribution, economic freedom, equality, environmental transformation, solidarity, deepening democracy and dignity for all.

In late 2014, the United Front's initial organising conferences in provinces followed by a national workshop in mid-December, then followed by two National Working Committees, also reflect the desire for change being expressed by labour, community organisations, social movements, youth, women, environmentalists and independent progressives. Our country's most experienced activists working together with a large number of younger and new activists are recommitting and reorganizing themselves for a genuine liberation struggle, one that does not stop at taking state power for the benefit of a few.

With a great sense of urgency, the United Front is calling for a National Day of Action on Budget Day, 25th February 2015. Through our non-violent protests, we will demand a Budget that provides for universal access to basic services: water, sanitation, housing and electricity. We demand the implementation of the South African Human Rights Commission's plan for the universal roll-out of water and sanitation. We demand an end to the bucket system by the end of this year. We demand massive state investment of at least 5% of the country's GDP for building decent housing located in active economic zones and that can stimulate the depressed downstream industries and create the millions of jobs we desperately need. We demand a Budget that finances an immediate action plan to end load-shedding. We demand an adequately financed ESKOM, financed with public funds based on a redistributive tax system instead of reliance on financial markets. We demand an ESKOM that is publicly owned, publicly accountable, decommodified system that moves away from dirty, polluting and inefficient coal, and that prioritises a socially owned renewable energy sector.

During the Budget Day of action, the United Front will submit alternative policy options to many of the problems raised here. These options and alternatives are being, and will be continuously elaborated and presented by many of the organisations that make up the United Front.

Beyond Budget Day, the United Front will launch **"The South Africa We Want Campaign"**. From this year, 27 April must no longer be appropriated by political elites mouthing off meaningless platitudes that demobilise and undermine the mass of the people. On 27 April 2015, the UF will work with others to organise Community Mass Assemblies in communities (in townships, informal settlements, inner cities, rural villages and small towns). These 27 April People's Assemblies will be a key moment in laying the foundation for **"The South Africa We Want Campaign"** adopted by the Preparatory Assembly. This campaign must mobilise the mass of our people to democratically define the vision of the country and world they want.

These Assemblies will be real and meaningful platforms for the mass of the people to speak out. **"The South**

Africa We Want Campaign” will be a sustained, democratic mass campaign from below to involve the largest mass of the people in generating demands, visions, proposals and action to win the South Africa and the world they want. This Campaign also intends to facilitate space for informed public debate and progressive review of the country’s Constitution from below.

On major, political, social and economic issues facing South Africa, we stand for:

- Transparent, open, clean, good and accountable government, politicians and public servants that serve the people with integrity;
- Participatory democracy based on genuine and substantive consultation and participation;
- The realisation of progressive constitutional rights;
- Full gender equality and substantive empowerment of women;
- An end to discrimination and hate-inspired violence against lesbian, gay, bisexual, transgendered and inter-sexed people;

● An end to xenophobia, tribalism, the legacy of racism and white privilege;

● Transformative service delivery and policies that advance socio-economic justice and undo the structural and systemic legacies of apartheid;

● The power of ordinary people to directly participate in decision-making, control of public budgets and implementation of decisions;

● The redistribution of wealth and a democratic and transformed economy that is collectively owned and democratically-controlled to meet social needs and that puts people before profits;

● Free and decent housing, education, water, sanitation, electricity and other basic services; and

● A clean and sustainable environment.

These are not possible without sustained political conscientisation, and action from below. We have the power within ourselves to build a new meaningful democracy in South Africa.

We must rebuild the hope that 11 February represents.

On 7th May 2014 the African National Congress (ANC) was returned as the government of South Africa, but there is deep disquiet. For the defeat of apartheid did not bring an end to capitalism as many militant activists had hoped, and a small group of the ANC at the head of the government and their cronies in the trade union leaderships have prospered while imposing neo-liberal policies which are impoverishing the masses. Meanwhile the workers’ movement has been set back in a number of different ways in the last 20 years.

In response to this, even before the general election, at its Special National Congress in December 2013, the National Union of Metal Workers of South Africa (NUMSA) had withdrawn support from the ANC and its ally, the South African Communist Party (SACP), and had already begun a series of actions to establish a united front to co-ordinate struggles in the workplace and communities. These stormy developments in the class struggle in South Africa have profound implications for working people everywhere.

This book highlights the way forward proposed by the leaders of the NUMSA to resolve the crisis. To assist readers outside of South Africa to understand how this came about, this book includes the history of the struggle by South Africa’s working class and its close links to the Namibian workers’ movement to overthrow white majority rule as part and parcel of the struggle for socialism by participants in the movement

PUBLISHED MAY 2014 : ISBN 978-0-9564319-4-3 : PRICE £5

MOVEMENT FOR SOCIALISM!

South Africa’s NUMSA points the way



“After Marikana: it cannot be business as usual”

Workers International

Marxist considerations on the crisis

Part One

Balazs Nagy

Workers International

Email: workersinternational.info

<http://workersinternational.info>

The Hungarian Marxist BALAZS NAGY originally planned this work as “an article explaining the great economic crisis which erupted in 2007 from a Marxist point of view”. However, while working on it he “quite quickly realised that a deeper understanding of this development would only be possible if [he] located it within a broader historical and political context than [he] had anticipated. To put it another way: it would only be possible to grasp the nature and meaning of this current upheaval in and through the development of the economic system as a whole. [He] could not therefore avoid going back -- occasionally a long way back-- to unearth the roots of the social content and important components of economic life and trace how they came into being historically.”

The present volume contains Part One of this work. It starts with efforts to understand imperialism as a stage of capitalism, then traces the persistent contradictions working in society and economy through the Twentieth Century. This compelling and original account rescues and re-presents basic Marxist conceptions of these matters which are often overlooked in contemporary political discourse.

PUBLISHED 2014 : ISBN 978-0-9564319-3-6 : PRICE £9.99

