

1. ADDRESS BY SACP GENERAL SECRETARY

Introduction

I bring to you greetings of the leadership of the SACP and the entire 170 000 and more members and supporters of the SACP. It is indeed a privilege for me to be back here to address your congress. For us as the SACP this is indeed closer to being home. It is also heartening to witness the growth that NEHAWU has experienced not just in terms of membership, but its standing politically in society is unparalleled.

Cde President, allow me to remind delegates here not to take this strength and growth for granted. From your 6th National Congress to the period leading up to the 7th National Congress were difficult years for this union. The unity, strength and growth we see today is a result of years and years of hard work, political education, shop floor mobilization and organisational renewal following attempts to push NEHAWU over the cliff. We must congratulate the various leadership collectives that held the fort and steered the ship to calm waters. Never take your unity for granted comrades.

A revolutionary approach to the challenges facing our revolution

It is also important to remind ourselves that as revolutionaries we must build on what unites us in order to tackle whatever differences we may have. This applies both to our independent organizations as well as to the Alliance as a whole. For instance right from the start, what unites us now is the programmatic perspective that emerged from the ANC's 53rd National Conference, that of intensifying the struggle in order to usher a second, more radical, phase of our transition. This Congress must give content to this commitment, and some of the things I am saying below are also part of giving content to this programmatic perspective and commitment by our movement.

The SACP, emerging from its Ongoye Congress, also came up with a clarion call for the working class to take responsibility for the national democratic revolution. What does this mean? It means we are not spectators or fellow travellers in the national democratic revolution, but the working class must indeed act as the main motive force of this revolution. It means taking responsibility for the successes and advances, as well as the challenges and setbacks of the revolution. We cannot pick and choose, and only claim to be part of our Alliance when things go well, and when there are challenges we define ourselves as if we were outside that revolution.

The clarion call of taking responsibility for the revolution also means that as a movement we must build on the many positive advances we have made in order to tackle problems and challenges that we have. It is wrong and incorrect to approach the problems and challenges we have as if we have made no progress. This is very difficult because we start with the problems that we have instead of starting with the gains that we have made and decide how we move forward.

Coming out of its last Central Committee, the SACP also emphasized the importance and relevance for this period, one of Mao's pertinent observations that as a revolutionary movement, in whatever we do, we must seek to unite the people's camp, neutralize our opponents and detractors, and isolate the enemy. This is a very important revolutionary test of especially the correctness of our tactics, and this is what distinguished revolutionaries from reactionaries, demagogues and populists.

In ushering a second phase of our transition it is also important to combine two critical weapons we have in our hands: mass and state power. It is wrong to pose the two as if they

are inherently or at all times contradictory or in opposition to each other. Revolutionaries must know that there is always a dialectical relationship between mass and state power.

Let me say a bit more brief about our Ongoye Congress comrades...

Comrade Chairperson

Reconnecting with the 9th National Congress...The beast is in the open

When we addressed the 9th National Congress, we shared our analysis of the political developments and the global balance of forces. Two things stand out today from our previous engagement that we wish to reconnect with in our message today.

At the 9th National Congress we shared our characterization of the global capitalist crisis as it was unfolding at the time. For years, since the beginning of the crisis in 2008, neo-liberal apologists have been preaching a message to us that the crisis, in one way or the other, is nearing its end. What many wanted us to believe was a mere financial crisis caused mainly by bad apples within the system that has now caused major havoc amongst the poor of the world. We knew as far back as 2008 that this was not just a problem of regulation but also a deeper systemic crisis of capitalism.

We spoke to you at the time of your 9th National Congress of a deep seated internal attack on the movement, by the new tendency, aided by the anti-majoritarian liberal offensive whose sole aim is to unseat the ANC led government. We explained at the time, that there were both objective and subjective errors that facilitated this attack. At an objective level, the crisis of capitalism meant that we assumed power in 2009 in the midst of an unfavourable global economic aura that placed further strain on our already crisis level of unemployment, poverty and inequality. Internally in the movement the populism that had arisen, errors associated with disrespect for the constitution and rule of law – mainly by the new tendency, the high levels of corruption, brazen ill discipline and disrespect of the President and the leadership of the ANC were all subjective factors that emboldened the attack on the ANC. We are reminding you of these two aspects because we of the view that recent political developments have proved our scientific analysis of that moment correct.

Today we can stand here and say boldly that when we told you that those who behaved in the manner in which they behaved did not belong to the movement, we were not factionalist as the media reported at the time. The Beast is in the Open! You all have now witnessed the fast tracking of the silly season – every Tom, Dick and Harry is now running helter for skelter launching this or that political platform whose main pre-occupation is to attack the ANC and its President. These are not platforms with any other objectives but to insult. The SACP was the first to say that those who paraded as analysts and were given acres and acres of space in the media to criticize our government when actually preparing their political careers. We met with rebuke from proponents of freedom of the press. Now we are being proven right about what we saw as bad tendencies within our ranks.

Comrade President you have witnessed and you have seen for yourself what the outcomes are. We need not say anything further. We have only one message to the workers – do not allow yourselves to be fooled by people who do not have your interest at heart.

Secondly, comrade President, the global capitalist crisis has deepened. The second phase of the crisis is characterized mainly by stagnation in the EU and a beginning of a faltering US recovery partly based on re-industrialisation, and exploitation of shale gas. Portfolio investors

are starting to move back away from the so-called safe havens back to the United States. China's growth has declined from double digits and China itself has started to undertake structural changes in its economy moving up value chains, lower end manufacturing going to "flying geese", domestic market driven growth – all of this less mineral product intensive.

All of this resulted in mineral resources price boom passing its peak in 2012 and prices of many products started falling. This has had disastrous impact on our mining sector as growth declines and these impacts on GDP growth (SA not unique Brazil, Chile, Colombia among others similarly affected). As a result of these mining tax revenue have declined resulting in squeezing budgets and having a negative impact on profits. Consequently, mining companies have responded by cutting production (to raise prices) and downsizing. This is the context within which the ongoing labour unrests in mining sector need to be seen. Of course when times were good, the mining bosses never shared with the working class, but now that times are bad it is the working class that is expected to pay the price, through retrenchments.

The sum total of this has been an exit of short-term capital from our country which exposes underlying deficit on current account of balance of payments and the currency devalues but not in an orderly fashion, rather in a more volatile way and by now overshooting. The classical economists in the like of the DA and the Governor of the Reserve Bank have mainly sought to explain this by laying blame on the government and particularly President Jacob Zuma. We reject this approach of markets as holier than thou and being perfect.

On the one hand, the second phase of the global capitalist crisis has been characterised by a greater focus on Africa and its development initiatives underpinned by industrialisation, regional integration, underpinned by infrastructure development. South Africa is quite pivotal to this agenda as it is the most industrialised country on the continent, has the most coherent approach to infrastructure development and has emerged as most coherent in articulating the necessity for beneficiation and value addition to agricultural products.

For this reason we have seen Greater competition among external actors who want to strengthen ties with Africa, creating new opportunities for Africa and SA to define more of the agenda. There are encouraging signs of growing willingness to entertain growing investment in value added activities and tolerate non-orthodox policy measures, beneficiation, localisation etc.

This is why it is important for this congress to develop a proper understanding beyond the media headlines and for us to play a leading role in developing a positive narrative of a country and continent on track for industrialization. If we stay on course, we will in the short to long term, reap the benefits of our current government's policies. We can no longer place our hopes on another commodity super cycle boom. Industrialization understood and pursued in specific contexts of our countries needs must be strengthened. We also need to manage the new negatives and ascertain that in our actions we do not throw the county into an economic abyss. The SACP also call for new and better approaches to manage the current currency volatility.

This is why today our message here is simple, borrowing from Mao, we would like to say to you comrades that given the challenges and tasks confronting us, it is important for us to unite not only ourselves but all progressive forces. We must act with high level of strategic coherence and discipline in a way that neutralises our opponents and isolate the enemy of the revolution. We are convinced as the SACP that there could be no better platform to achieve that unity and a strategic upper hand besides rallying our forces behind what the 53rd National Conference of the ANC agreed to as the 2nd Phase of our transition.

Chairperson and delegates

South African Road to Socialism – SACP’s 5 year Plan, 2013-2017

Since your last congress we have held the 13th National Congress of the SACP which debated and updated our political programme. The programme of action places at the centre the task of building working class power and hegemony in our communities, in the workplace, in the battle of ideas/ideological terrain, in the state, on the international front and on the environment.

We have already highlighted the deepening crisis of capitalism which has now entered its second phase. Our accumulation path continues to be dominated by CST features despite attempts to introduce a New Growth Path by government which has identified various sectors as job drivers. The South African economy relies mainly on primary product exports. This domination and reliance on minerals has also had a negative impact in terms of logistics, spatial policy and water and energy allocations. Our accumulation path continues to be dependent on import for capital and luxury goods.

South Africa experienced growth in the years in the run up to the crisis driven mainly by extension of private credit, credit not for investment in production but in consumption. Even where there has been little credit granted investment it has been in consumption related investment like malls. The manufacturing capacity of our country has been left bleeding by the interest of financial capital.

Both the NGP and IPAP that are led by government in the main are aimed at reversing this kind of a growth path, a growth path that in the main shed jobs. By the time we experienced the shocks caused by the crisis we had already lost millions of jobs. Poor quality jobs have been created mainly in the services sector – in tourism, private security, outsourced cleaning services and call centre agents.

The initiatives of our government in the form of the NGP and IPAP have been greatly undermined by the financial bourgeoisie who have gone all out to criticize such initiatives. The interests of the financial bourgeoisie have been elevated to mean the national interest. This cannot continue forever.

This logic in fact informs some selective support of the NDP by right wing elements like the DA since they are the mouthpieces of financial monopoly capital. They do not agree with other various aspects of the NDP but like it for the fact that it doesn't like to break with the interest of the financial bosses.

If we are to succeed the challenge for us the working class and the poor is to radically shift the structural dominance of financial monopoly capital in our country to restore the dominance on manufacturing sectors. This financialisation of the economy has also had a skewed outcome as far as our skill base is concerned. We cannot, comrades, bridge headways in our fight against poverty unemployment and inequality when we rely on the financial and services sector to produce the much needed jobs. We need to reverse that logic which we fought against by the way in the heydays of the 1996 class project. The remnants of the class project in Treasury and in the Reserve Bank are holding us at ransom and frustrating our industrialisation drive. IPAP remains greatly underfunded and thus cannot succeed.

In relation to the financial sector, we must intensify the struggle to redirect the resources in this sector towards investment into our productive economy, as well as into infrastructure investment. We also expect NEHAWU to do the same in respect of the financial resources in

its hands and influence! This is the crux of the SACP's financial sector campaign which we urge you to continue to support.

We also need to do more as the working class to contribute towards altering the dominance of neo-liberalism which despite facing a huge crisis of legitimacy remains strong. We need to infuse in society new values that are people centred in our efforts. Building a solidarity economy remains a critical aspect that we must engage with. The battle of ideas in this context remains very critical for the working class organisations. Why do we allow the commercial media to set the agenda and tell a negative story about our country? Why is it difficult for us to pool our resources together toward establishing a left leaning newspaper and alternative communication platforms that are unashamedly working class bias? Technology has offered new opportunities in this regard. Having said that, we must not relent in our campaign to challenge and seek to transform the dominant monopoly in media ownership. How do we understand our task and responsibilities in relation to community newspapers, radio and television platforms? How do we use the social media platforms to advance our class agenda?

Chairperson

We need to also pay serious attention to the issue of building working class power and hegemony on the workplace. Our experience has been that of workplace restructuring which has led to casualisation, outsourcing and contractualisation, thus weakening our working class voice and bargaining power. Central to this re-organisation of the workplace has been labour brokers which the SACP believe have no space in our constitutional democracy.

The racialised, gendered and hierarchical features of the apartheid workplace remain very strong in the post 1994 workplace. The only noticeable changes in some workplaces are at the highest level of top executives, where a few black executives have been drawn into these positions mainly through affirmative action programmes. Advancement of black managers has been much faster in the public than in the private sector.

Even with these changes, the racialised occupational stratification within management still persists in many ways. The more technical professions are still largely occupied by whites, whilst blacks have moved into more support services (human resources management, marketing, etc.). Middle management still remains predominantly male and white. Even where there have been changes in the ownership structures of many companies, including racial composition of management. Nowhere such changes happen are having any impact in the improvement of the conditions of the working class.

Instead, in many instances, black shareholders themselves fully support the increased exploitation of the working class, in order to realise higher profits, so that these new black shareholders are able to pay their loans for BEE deals quicker.

The public sector has not been immune from this neo-liberal re-organisation of the workplace. New Public Management principles premised on the notion of contractualisation, de-professionalisation of the public service, budget cuts and unfilled vacancies remains the order of the day. Monetisation of performance bonuses has also perverted salaries and service delivery in the public sector.

The "new public management" approach is basically about applying (mis-applying) a private, for-profit, corporate management approach to the public sector. It includes:

- (a) Replacing a public sector ethics of service to citizens with a managerialist ethics of "delivery" to "customers";

- (b) Replacing professional leadership of the public sector with generic corporate managers – as if auditing and financial skills were all that was required to run a hospital or a school, for instance;
- (c) Replacing professional and vocational incentives in the public sector with monetary incentives that are, in turn, typically based on fulfilment of “performance agreements” that are often meaningless, and that frequently result in tick-box pseudo-compliance;
- (d) Fragmenting line departments into dozens of stand-alone “agencies”, each with its own “corporate” structure - a board, a CEO, and an expensive head-office (what the SACP has referred to as the “agencification” of the state);
- (e) Further transforming the public administration from a “doing” apparatus into a “purchaser” of services from the private sector. Professionals in the state apparatus, those that have remained, have been increasingly reduced to compilers and adjudicators of “tenders” with all of the moral hazard implicit in this (the SACP has described this as the “tenderization” of the state).

The NDR requires a strong state. Its strength needs to lie not in its capacity to exert bureaucratic power, but in its strategic coherence, its skill and catalysing capacity and, above all, in its ability to help weld together a multi-class national democratic movement buttressed by mobilised popular and working class power. Without these realities, in a world dominated by powerful transnational corporations, no country can hope to embark on a progressive developmental path.

The state apparatus – and the legacy of the past

In 1994, the state apparatus that the liberation movement inherited and sought to transform was thoroughly distorted by its internal colonial features. On the one hand, there was a relatively well-functioning but authoritarian and rigidly hierarchical state bureaucracy that had serviced a white minority welfarist system.

From the 1930s the white minority state also developed major parastatals in key strategic areas like Eskom, Telkom, SASOL, Spoornet, and Armscor. These were all part of an unfolding strategic industrial policy programme. From the late 1970s, the financial crisis and growing class differences within the ruling white minority bloc led to the privatization of key strategic parastatals (SASOL), and to the radical cutting back on public expenditure on others (for example, Spoornet). In 1994 the new democratic state found itself deprived both of key strategic apparatuses that had been privatized, and with a seriously under-capitalised passenger and freight rail and ports system.

In the latter years of apartheid, as its own crisis developed, hegemony within the white-minority state increasingly shifted towards the military and security apparatus, with a vast increase in security budgets and personnel. International arms, oil and financial sanctions directed against the apartheid regime in its last decades, also saw the development of an extensive shadow-state network. An array of dirty-tricks front organisations and sanctions-busting networks emerged, involving state employees, spies, mercenaries, lumpen-business people, and criminal syndicates of all kinds. After 1994 many of these networks mutated into supposedly legitimate businesses, consultancies, and private security operations and many succeeded in infiltrating the new state and partnering in so-called BEE deals with some leading cadres in the movement. This legacy, whose effects persist into the present, has contributed to many of the challenges of corruption and factionalism, including within sensitive parts of the state that we still confront.

On the other hand, what was also inherited in 1994 was an extensive, ethnically fragmented set of former Bantustan, township, “Coloured” and “Indian” bureaucracies. In 1994 the new state inherited almost 650,000 former Bantustan bureaucrats. While there were obviously

dedicated professionals among them, the dominant ethos in the Bantustan bureaucracies was one of patronage and rent-seeking. Again, this legacy continues to leave a powerful and perverse imprint on our contemporary reality. Provinces that incorporated former Bantustan bureaucracies are often those with the most serious administrative challenges in the present.

The NEHAWU congress must therefore articulate the challenge we are confronting in transforming the state and deepening working class hegemony in that context. It is therefore critical that NEHAWU leads in a debate about what is the role of a progressive trade union and its members in the august challenge of building a developmental state – a state not based on the values of a New Public Management model.

The struggle for a National Health Insurance

At your last congress we expressed much appreciation for the role played by NEHAWU in advancing and leading a struggle for an introduction of a National Health Insurance. Whilst this is now government policy and much work has been done with the establishment of the pilot sites, we need to advance a much more thoroughgoing campaign against attempts by some to water down our success in this front.

We need to now campaign that the NHI fund should be publicly funded and administered with no outsourcing of administration. Funding for the NHI must be via general revenue and high-earning individuals being taxed proportionally with no additional levies made through to the NHI fund.

In this regard, the debates around the implementation of the infrastructure improvements to our public healthcare system through public private partnerships will have to be fought and won. The thieves who have just been found guilty of price fixing and collusion are smelling profits and do not have the interest of a healthy nation at heart. They are seeing another avenue to collude, fix prices, and subsequently be awarded tenders to manage our hospitals. There is no space for PPP's or rather narrow commercial interests in this programme.

We must also ask a question about NEHAWU's role in driving the progressive resolutions of the 53rd National Conference of the ANC in relation to the sourcing of currently privatized services in the public healthcare system. NEHAWU must also play a leading role in the discussions and the subsequent establishment of a national pharmaceutical company which our 13th National Congress resolved must be wholly state owned.

Comrade delegates, we have a serious challenge with respect to the issue of private healthcare provision in our country. Two weeks back the mail and guardian ran a horrendous story about the cost of provision of private healthcare. Whilst there is nothing new in the story we must encourage our media at least to privilege such criminal acts of the private sector. We welcome the Competition Commission investigation into pricing in private hospitals. If corruption is found, we must act decisively. We must not call it collusion as with construction companies, BUT must call it corruption, which is what it is.

Forward to an overwhelming ANC victory in 2014

Next year we will celebrate the 20th anniversary of our democracy and freedom. This is an important milestone since our democratic breakthrough.

Those who contributed nothing towards the attainment of our freedom and democracy want to jump into the bandwagon of these august celebrations to hijack our country. The opposition is so bankrupt that they have nothing to offer. They have instead resorted to the

abuse of civil society movements which are funded from the US through various funds established to destabilise countries.

The SACP does not have problems working with civil society formations at all. The problem is that we working here with formations that are not interested in contributing towards the development and reconstruction of our country. What do we stand to gain by taking government to court? This Americanisation of politics, driven by "abo Mafikizolo" who have nothing to offer but criticize the SACP, must not divert us. Their obsession with President Zuma will not win them votes.

We are going to our people starting this year to report back to them the progress we have made in the area of health, education, rural development, economic development and decent work. We must not allow our kids to be used as pawns in a political game in the challenges we face in our education system. There are problems of capacity in government that are serious and unless we address them you can take government to court as much as you like but it will not be able to implement the court ruling. If you are a committed patriot you will instead work with government, responding to the clarion call of working together, to do what is best for the children in school.

Our challenge in South Africa is to work hard to sustain our own achievements as a liberation movement. Comrades, whilst many people have repeatedly talked about a 20 year failure of liberation movements and elevating subjective failures of the movements, what they have not said in this narrative is the role of imperialists in destabilising liberation movements. The latest unrests in mining, the rise of vigilante unions and Mickey Mouse political platforms in our country today is part and parcel of some external forces to destabilise our country. At least we have had an advantage of learning from other liberation movements who came before us. The SACP will go all out to campaign for an overwhelming ANC election victory in 2014 including reclaiming the Western Cape. Come 2014 the ANC President Cde Zuma will be inaugurated as President of the Republic for the second term, to the dislike of the elite and racists DA notwithstanding.

Build a strong NEHAWU.... Build a strong SACP

Comrade Chairperson, in conclusion we need to continue to pay attention to the task of collaboration between NEHAWU and the SACP in order to strengthen our organisations. Firstly we must pay attention to continue to strengthen our joint political education task team for the continued successful delivering of the Chris Hani Brigade. Our joint team must consists of the most advanced and most trained cadres and therefore we must pay attention ourselves to the training and ideological development of members of the joint team itself.

But comrades if we are to usher a second phase of our transition, we must also ask the question what type of a NEHAWU worker do we need. We need a NEHAWU worker who must understand that he/she is in the first instance a public servant, who must serve the workers and the poor of our country and all citizens. Where there is NEHAWU for instance, there must be no dirty hospitals, there must be no stealing of medicines, and there must be exemplary service to the people. Of course the SACP does support NEHAWU struggles for a living wage that must be accompanied by a decent social wage and this must go together with service. It is such service that will build and define a developmental state.

We need to strengthen our joint campaigning efforts around the annual red October campaign. Furthermore the 13th National Congress of the SACP resolved that we must pay dedicated focus on the recruitment of shop stewards. That we have only 170 000 members

and NEHAWU has 270 000 or so tell us that there are more NEHAWU members that are outside the SACP. We also have not made sufficient progress in so far as establishment of SACP workplace units. Our joint work on the international front has been sterling and out of this congress we must strengthen it.

The challenge remains for us to elevate joint work in the field of building an independent and financial viable SACP. The working class cannot outsource the most critical task of financing the revolution unless we want to risk funding of our programmes being used by the bourgeoisie to try and control our movement. Our movement and revolution is not for sale!

We wish this union, the union of Bheki Mkhize, Yure Mdyogolo, Ntate Caswel Lehana, Magwaza "Two M" Maphalala and many other heroes and heroines of our union, a successful 10th National Congress!!