

# UMSEBENZI ONLINE

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RED ALERT



## A CALL FOR RENEWAL AND UNITY IN PRACTICE, RECONFIGURATION OF THE ALLIANCE



**“Roll Back Neoliberalism, Dismantle State Capture, Serve the People”**

## **SACP message to the 55<sup>th</sup> National Conference of the ANC**

**A call for renewal and unity in practice, reconfiguration of the Alliance, and new policy direction to solve the problems of our country and meet the material needs of the people.**

### **PART 1**

#### **Message summarised by Solly Mapaila, SACP General Secretary from the podium of the Conference Plenary**

Friday, 16 December, marked the 61st anniversary of the founding of our glorious fighting people's army, uMkhonto weSizwe, the MK. This was officially the first day of the ANC 55th National Conference. We pay our revolutionary tribute to all our fighters, dead and alive, who gave their all for the liberation we enjoy today. We pay tribute to the fighting soldiers, especially Joe Slovo and the Peoples' Commissar, Commander Chris Hani, whose blood cemented our irreversible path to democracy.

The SACP wishes the ANC a successful 55th National Conference, characterised by unity, discipline, and imbued

with the fighting spirit of Oliver Tambo, the spirit of renewal of our movement and our society. The ANC needs to regain its historic role, taking its cue from the leadership of society through frontline sacrifice and selfless service to the people in the liberation struggle.

We meet at a crucial period in our revolution, facing serious challenges of stagnation, setbacks and even outright reversals of our revolutionary strategic gains. The liberation movement leading the revolution is in turmoil, facing serious challenges with huge ramifications not only for itself but also for the country at large. The problems

include declining confidence of the masses in the movement, deepening factionalism, decay of revolutionary morality, and rejection or lack of capacity to drive renewal and unity of revolutionary purpose.

The working class is facing multiple crises arising from the economic system and its failures. Women carry most burden of the crises. In simple terms, millions of our people are poor. Approximately 12 million are unemployed. Many have no land and income to produce food and build themselves houses, despite our country being rich in mineral and other natural endowments.

The success of this Conference will more than anything else be judged against impactful transformative changes in the material living conditions of the working-class for the better. The working-class has given so much to the revolution. It cannot give anymore without condemning itself to perpetual slavery and exploitation under the arrogant capitalist system, in a democratic dispensation. This is unacceptable. Democracy cannot

be an end in itself, under capitalist exploitation of the masses. It must be a means to an end, with far-reaching, transformative and emancipatory outcomes for the workers and poor, the majority of our people.

The people fought for freedom to improve their living conditions. They did not fight to replace white minority racist capitalists and apartheid oppressors with black exploiters. The ANC Morogoro Strategy and Tactics makes this point clear.

Things cannot continue in the old way, with the same policies, when the pace of revolutionary democratic transformation is too slow, with unemployment, poverty and inequality persistently high, the economy de-industrialising, stagnant and the costs of living rising. This is the crux of our message to the Conference. Every delegate attending the Conference should appreciate the urgency and the importance of policy change if we are to forge ahead with renewal and unity. Neoliberal policy paradigm, its maintenance, state capture and other forms of corruption have rolled back our

hard-won democratic gains.

The multiple crises we face are a clear sign we have entered a new era in our transition. This Conference should grapple with this question. What is the meaning of this new era for our shared strategy of the national democratic revolution? What are the prospects and dangers we are facing. Without grasping this moment, understanding it correctly, we can commit the error of converting primary economic contradictions underpinning the multiple crises we are facing, into internal problems and organisational challenges. This does not mean that we do not have internal problems and organisational challenges. As a matter of fact, we do, and we must attend to them. The point we are making is that we must distinguish between antagonistic and non-antagonistic contradictions, the primary and the secondary, the cause and the effect.

The moment to strike is now, when the primary contradictions in society have sharpened and are hot. Big capital, the bourgeois ruling class, must concede to

the key demands of the people and share the economy or else invite mass revolts and anarchy in the face of a crisis of social reproduction arising from the capitalist system. The Conference should not be shy to call for urgent enforcement of prescribed assets on the financial sector through legislation to focus on massive social and economic infrastructure investment targeting the rebuilding of our productive capacity, including pursuing the 24-hour economy.

*Asiyibambe–isashisa Mongameli.* Let us fundamentally change economic power relations in this country, if our freedom is to be meaningful.

It is despicable of capital to continue dillydallying and to even renege on meeting the demands of the working people and poor, transformative and developmental imperatives. At the moment big capital is triumphalist, thinking that it is in charge in all respects. This Conference must communicate a clear message that the ANC in alliance with working-class formations is the movement of the working people and poor.

To succeed, this Conference must unequivocally respond to the major demands of the majority of people, the workers and poor.

The policy outcomes of this Conference must be about radical eradication of poverty, tackling unemployment, advancing the right to work for all, and overcoming economic and social inequality.

### **Key message points for consideration**

To achieve these, we need to confront a few issues, just our humble contribution:

Let us break the stranglehold of commercial banking and financial oligopolies on our economy. Let us transform the financial sector and build a developmental public banking sector. Let us strengthen public developmental finance institutions. Let us build a thriving co-operative banking sector. Financial sector transformation must include clear mandating of the South African Reserve Bank to support the public development finance institutions.

This Conference needs to emerge with comprehensive solutions to stop load-shedding immediately and fix Eskom. The overall energy crisis that we face is an emergency. This must be treated as a state of national disaster. Eskom is itself in a state of disaster as we speak, plunging the entire country into the disastrous situation of frequent load-shedding, which is now taking long hours, costly to the economy and social reproduction in the household.

Our economic policy must be anchored in our South African conditions. The economic policy content, direction and instruments we adopt must be informed not by foreign interests, including those controlling the IMF, the World Bank, the OECD, western imperialist credit rating agencies. Our economic policy must be truly South African. It must be based on our right to democratic national sovereignty, self-determination, independence, which we need to respond to solve our economic problems.

We need to work together, as the Alliance, and other democratic social forces. We must strengthen

the cohesive role and unity not only of the ANC but also of the Alliance. Together, we must play a leading role in reconfiguring the Alliance and maximising the unity of revolutionary and progressive forces. We need to elevate the bar of revolutionary leadership by example, reviving the historic example of the ANC and the Alliance.

Let us build a new cadre of the renewal project across the entire movement, public representation and public service.

### **Renewal, unity and reconfiguration of the Alliance**

We are deeply concerned that over the last few months, opinions on who should be elected at this Conference have been elevated over any other considerations and dominant. Discussions on policy content and the need for a new policy direction to solve the problems of our country and meet the material needs of the people have been underwhelming. It has been deeply worrying to observe some members differing loudly about leadership preferences devoid of policy content.

As the ANC's long-standing alliance partner, we believe renewal and unity in practice is not possible without a national democratic revolutionary programme based on policy content. We will be misleading you, comrades, if we were to say what South Africa and the world have seen so far from the differences in leadership preferences in the ANC displayed in the physical and digital spheres epitomise the much-needed renewal and unity of purpose. The continuation of the problem at this Conference will have far-reaching negative implications. Therefore, every delegate must commit themselves to prevent such an undesirable eventuality.

To succeed, the renewal and unity of the ANC must go hand in hand with the reconfiguration of the Alliance and wider renewal of support from and unity of the motive forces of the national democratic revolution. This Conference should pay attention to these interrelated questions, and how the Alliance must work together as one on all fronts of the struggle and in centres of power in our society.

The national democratic revolution belongs to all of us, comrades. It is what has brought us together, and together as the Alliance, we must give it collective leadership through policy direction and inclusive participation in implementation, monitoring and evaluation.

No single Alliance partner must alone decide against the background of our collective electoral platform we have followed thus far what policies must be implemented through state power, as that will amount to weakening and eventually breaking the Alliance. A reconfigured Alliance must work together in action, guided by shared perspectives, based upon consensus-seeking democratic consultation. It does not end there, comrades.

A reconfigured Alliance must consistently mobilise and democratically consult with the motive forces of the national democratic revolution to give play to their say in policy content and direction.

The SACP is looking forward to the outcomes of this Conference.

In mid-July, we held our 15th National Congress. Afterwards, we started a process to share with our Alliance partners the outcomes of the Congress on international solidarity, economic and social policy, political and organisational strategy, including the reconfiguration of the Alliance and the related questions of state, popular power and electoral considerations.

We are looking forward to continuing the process with the leadership of the ANC elected by this Conference.

## **The need for a fundamental policy shift**

The circumstances we find ourselves in require an embrace of policies other than those in the orthodox neoliberal toolbox.

In the same vein, we need vigorously and without fear or favour to pursue the fight against state capture in all its manifestations and other forms of corruption, ranging from the looting of public resources to the more sophisticated policy-lock by powerful vested interests. But we must not assume that these alone

will be able either to address the immediate, pressing concerns of our people or bring about the structural transformation of our economy.

Our country, like the rest of the continent and most of the Global South, desperately needs to break out of our insertion into the global capitalist world economy as mainly producers and exporters of primary products used in industrial processes elsewhere, overwhelmingly overseas.

That requires a deep structural transformation involving a shift through industrialisation to new higher value-added productive activities and a more inclusive growth path. That is the kind of “new economy” many of us hoped we would be building from the ashes of the COVID-19 crisis—an economy driven by a more ambitious and higher impact industrial policy kick started by a massive infrastructure build together creating decent work for the millions of our unemployed people. The evidence before us, however, leads to an inescapable conclusion—our policies and programmes, constrained as

they are in our view by the stranglehold of neoliberalism and austerity on our policy choices, are not making sufficient progress either in improving the material circumstances of too many of our people or in structurally transforming the productive base of the economy.

If that does not change and change quickly, we cannot expect that our people will still have confidence in our movement, and in that event, we cannot be certain that the National Democratic Revolution we all claim to endorse will actually advance.

No policy must escape scrutiny. The crisis situation we face calls for a fundamental policy shift, not least covering macroeconomic policy, both monetary and fiscal policies, and international trade policy to support industrialisation and a caring social policy. In the same vein, we need more effective provincial, district, and local economic development strategies.

Working-class or proletarian communities - mainly in urban townships and informal settlements, as well as in mainly

ignored former homelands - are torn apart by the daily struggles for survival.

The increasingly exploited, and unemployed workers and poor are more and more becoming disillusioned with electoral politics because of the impact of neoliberal policy failures and the consequences of corruption.

### **Roll back neoliberal paradigm maintenance**

The SACP rejected the call for a “social compact” that is aimed at co-opting the working-class to advance neoliberal policy reforms, including those originating from the IMF, the World Bank, the OECD, imperialist credit rating agencies and other supranational bodies controlled and wielded by the US-led imperialist forces.

Such a “social compact” will maintain the paradigm of the discredited neoliberal policies. It excludes the crucial imperative to change the macroeconomic framework under which South Africa failed to reduce unemployment, eradicate poverty, and bring down the astronomical levels of inequality.

For the past 26 years, since the government imposed the neoliberal economic policy called Growth, Employment and Redistribution (GEAR) to restore falling profitability, among others, the SACP and other militant working-class formations have been calling for a change in the macroeconomic framework.

Without a fundamental shift in the balance of class forces resulting in a change of the macroeconomic framework, South Africa will continue experiencing the problems of the crisis-high levels of unemployment, poverty and inequality that it has failed to address since 1996 after the government adopted GEAR. We need a change of heart, a policy shift from the leadership elected by this Conference, to meet the materials needs of the working people and poor, the core base of the ANC and the Alliance.

### **No to financialisation of our economy**

The SACP says no to financialisation, which has shifted financial resources away from the productive economy and social investments to speculative

investments in the casino economy, the financial markets. This includes financial assets held by the banks and other financial institutions or “financial services providers”.

Workers need to assert their control over investments by their pension funds. Investing in the productive sector to drive major industrialisation and infrastructure development programmes towards expanding access to work for all should be an apex priority.

## **International developments**

We are facing serious challenges of the deepening crisis of capitalism globally. This is expressed, among others, through the exercise of unrestrained, naked force by the western imperialist powers, who want to continue their world domination and exploitation, inflicting more misery.

The new geostrategic shifts of world power and interstate relations have shaken the western imperialist powers to the core and exposed their weaknesses. This is taking place in an ever-changing international atmosphere of

contest and co-operation and shifts, threatening the unipolar world dominance by the US-led imperialist powers.

Imperialist countries, those that colonised and continue to rule developing countries by imperialist means have exported hunger, poverty and starvation in the formerly colonised Global South. The imperialist forces now want to project themselves as our saviours.

These imperialist forces are fermenting wars, provoking sovereign states and interfering in their domestic affairs. We live in the era of war and indeed shall only know peace once war is permanently abolished.

### **Comrade Chairperson,**

Allow us, once again, to wish this National Conference of our ally, the ANC, a great success.

## Part 2

# Supportive Statement to the message delivered by Solly Mapaila, SACP General Secretary, to the ANC 55th National Conference

## Alliance Economic and Energy Summit

The Alliance agreed to hold its Economic and Energy Summit ahead of this Conference to make available the perspectives of the Alliance for consideration by delegates in the policy decisions to be taken here. That Summit never happened, largely because of internal matters.

The National Policy Conference held in the middle of the year saw lively discussions in commissions on matters of economic and energy policy. However, the draft reports prepared for this Conference, in our view, amount to little more than a lacklustre, tepid regurgitation of long-held positions, inadequate in charting a path out of the deep crises of the economy and social reproduction confronting the workers and poor—the majority of our national population.

### **Uneven recovery and its distribution, the workers and poor still in crisis**

At the beginning of December, Statistics South Africa reported after contracting by 0,7 per cent in the second quarter, the economy grew by 1,6 per cent in the third quarter. This figure was above the expectations of most commentators. It led to suggestions from others that our economy was “back on track”. Statistics South Africa itself said the real Gross Domestic Product, GDP, was now back to the level it was before the COVID-19 pandemic.

But, comrades, Statistics South Africa also reported earlier that unemployment on the narrow definition, covering only those who had actively looked for

work, was 32,9 per cent in the same third quarter. For young people from 15 to 24 years, the unemployment rate was nearly 60 per cent. This meant the majority, approximately 6 out of 10 young people in the same age category, were unemployed.

By the narrow definition, unemployment affected over 7,7 million active work-seekers. Although in percentage terms there was a marginal improvement on the 33,4 per cent unemployment rate recorded in the second quarter, the official unemployment rate remains significantly higher than the 29,1 per cent recorded in the fourth quarter of 2019.

What the figures on growth and official unemployment rate together tell us is that any recovery from the COVID-19 recession has been uneven and unequal. It has left our economy at a lower level of labour absorption than in 2019. The year 2019, let us remind ourselves, saw economic stagnation, with a jobs-bloodbath. This led the SACP to characterise that as the period of the “crisis before the crisis”. What this means

is that the COVID-19 crisis came on top of a pre-existing economic crisis characterised by stagnantly low levels of exclusive growth and high rates of unemployment, poverty and inequality, affecting millions of our people.

Put another way, large numbers of our people have seen no recovery from the pre-existing crisis and the crisis of COVID-19 pandemic. Unemployment, like poverty and inequality, remains at a catastrophic level.

We all know that the expanded definition of unemployment is more accurate as it includes discouraged work-seekers. The expanded unemployment rate in the third quarter was 43,1 per cent. This meant more than 4 out of 10 workers in the labour force were unemployed. In total, our unemployed population numbered approximately 12 million active and discouraged work-seekers.

If we look at income poverty, we find that nearly half of the total and over half the female population subsist at an income below the upper bound poverty level. We all know that wages and grants

have not been increasing at a rate commensurate with the rising cost of living. The majority of our people who live in poverty are under even greater strain as food and fuel prices, in particular, have been soaring to unprecedented levels.

All of this is taking place in a society that is among the most unequal in the world. In fact, South Africa ranks as the most unequal compared to 164 countries, with an income Gini coefficient of 0,67. The wealthiest 10 per cent of the population owns 80 per cent of the wealth in our country.

We want to remind this Conference. Unemployment by its narrow definition rose to crisis-high levels of above 20 per cent in our democratic dispensation starting in 1996. This was after the government adopted its economic policy of Growth, Employment and Redistribution, GEAR in short, institutionalising its underpinning assumptions and lasting legacy in our policy space. The hard reality is that unemployment in our country has been fluctuating and worsening above 20 per cent by the narrow

definition, not to speak of the higher expanded definition, since 1996.

Similarly, poverty and inequality, which like unemployment remain racialised and gendered, remain persistently high and have worsened with every global crisis, including the COVID-19 pandemic.

The reality we face is that our existing policies and programmes are not making progress in improving the material conditions of the people in terms of the indicators that matter most in their daily lives, namely unemployment, poverty and inequality. Needless to say, there has been lack of progress from existing economic policies in propelling our economy onto a *new, higher value-added, inclusive and just growth path. Yet such a qualitatively different growth path is* the only way we can decisively break from the shackles of the economy inherited from colonialism and apartheid and raise the living standards of our people.

## Policy failure

In our view the main reasons for South Africa's policy failure to transform and develop the economy to meet the material needs of the people are twofold, at least.

The first, is the de facto prioritisation of the enrichment of the few—through both licit and illegal means.

There is no doubt that the capacity of our state and performance of our economy have been seriously weakened by a combination of outright looting, theft, corruption and rent-seeking, transferring resources from productive activities and public good to profiteering and speculation.

But there is also a second factor, as just indicated. That is the stubborn inability to break from the stranglehold of the increasingly discredited neoliberal policy prescripts abandoned by independent states that exercise their democratic sovereignty. The neoliberal paradigm maintenance involves

succumbing to the empty promises of global financialised capital and its domestic agents. It promotes the idea that the imperialist dominated financialised capital will provide us with the resources needed for our development if only we provide it with extensive guarantees of premium rates of return and against default.

Too often our government seems to act as though the main priority is to achieve externally pre-ordained macroeconomic policy ratios and pursuing these, even at a time of stagnation, by cutting programmes essential for recovery and development—in other words through austerity.

In the October Medium-Term Budget Policy Statement, to give an example, we saw the lion's share of the additional revenue arising from improved mineral commodity sales being allocated not to essential public services or recovery and development programmes but to an earlier than planned achievement of a fiscal primary surplus.

We also saw budget cuts affecting the much improved and better designed public employment

programme, potentially significant industrial policy initiatives, and even health and education programmes, all in the name of “fiscal consolidation”.

Public service workers have also been affected by austerity in collective bargaining. This is what underpinned the U-turn the government embarked upon when it reneged from implementing the wage increases it agreed to in terms of the Public Service Coordinating Bargaining Council Resolution 1 of 2018. Austerity has far-reaching ramifications than its economic and social impact on the workers, the poor and unemployed. The ramifications include political changes, including in the electoral front as the 2021 local government elections showed.

If truth be told, burying one’s head in the sand, turning a blind eye to the wider ramifications of austerity is already negatively impacting the ANC’s hard-earned position as the leader of our society. What this Conference must ask is whose interests will be served by the electoral decline of the ANC, whether as a result of wrong policy choices, associated

failure, corruption, or other factors.

As the SACP, we called for the extension of the Social Relief of Distress Grant. While we welcome the extension of the relief, we are concerned at the increasing layers of “red tape” that applicants are having to surmount in what appears to be an attempt to reduce the number of successful applicants and reduce the cost to the fiscus in the name of “fiscal discipline”. This is happening even as “red tape” is being reduced for, among others, profit-seeking private electric power producers in the energy sector.

We want to take this opportunity to reiterate our call, an ambition which we know is shared among many delegates at this Conference. The government must not terminate the Social Relief of Distress Grant at the end of March 2024 but must instead maintain, improve and transform it into a Universal Basic Income Grant.

We are not arguing that we can act as though there are no resource constraints, nor that we can ignore

the serious damage that has been inflicted on public utilities by neoliberalism, state capture and other forms of corruption. What we are concerned about is that any proposals that depart from the framework acceptable to the guardians and beneficiaries of neoliberal orthodoxy are simply ignored or rejected. This includes many suggestions to increase revenue through raising taxes on the wealthy, luxury purchases, or corporate rent. Neoliberal paradigm maintenance is also evident in respect of the dismissive attitude towards unorthodox “off budget” measures—even those applied in an increasing list of other countries.

For instance, during the height of the COVID-19 pandemic, the Reserve Bank bought up secondary bonds in financial markets, with the aim of releasing liquidity into the untransformed banking sector. However, it steadfastly refrained, as it still does, from buying primary bonds or otherwise releasing resources to publicly owned development finance institutions. This is despite the evidence that public development finance institutions

have been the main source of finance for both infrastructure and industrial development in those few cases where an underdeveloped country has industrialised.

Numerous suggestions for prescribed assets or community reinvestment-type-measures to raise resources from the very large private fund industry to support investments in infrastructure or industrialisation have likewise never come to fruition. Instead, our government seems to hope that we can leverage the resources required by forging so-called partnerships with financialised profit-seeking capital. Following an approach developed by the World Bank, the government has looked to the so-called “blended finance” to resource what was called at its outset a massive infrastructure build programme. The essence of the “blended finance” model is to offer extensive guarantees for high premium returns against default in the hope of attracting financialised capital investment through “de-risking” projects.

Delegates may want to ask

what progress has actually been made in our proposed massive infrastructure build. Is it happening at an appropriate pace and scale, or is our experience of “blended finance” merely repeating that of others in being a high-cost, low-yield option?

Delegates may also want to consider whether the Reserve Bank’s fundamentalist hiking of interest rates at a time of stagnation is appropriate to our conditions. Joseph Stiglitz, who used to represent World Bank policies as its senior vice-president and chief economist until he was fired when fired for expressing dissent, recently wrote.

“Central bank’s unwavering determination to increase interest rates is truly remarkable. In the name of taming inflation, they have deliberately set themselves on a path to cause a recession – or worsen it if it comes anyway”.

Stiglitz, now like others, argues that such an approach does not even target the real causes of what is in our case is “imported inflation”, therefore not even

likely to significantly mitigate the impact of the cost-of-living crisis, particularly on poorer communities. Mitigating the impact of the rising cost-of-living on poorer communities would be better addressed by well target fiscal policies.

## **Addressing the immediate energy crisis**

In our democratic dispensation, Eskom has been weakened by a combination of neoliberal policy choices dating back to the 1990s and by governance decay under corruption, looting and state capture. A number of measures touted as solutions to the current electricity crisis actually originate from the White Paper on Energy adopted in December 1998 under the auspices of GEAR. The measures include the liberalisation of the power generation space in a shift to private power producers (“Independent Power Producers”) and unbundling of Eskom to facilitate the liberalisation. Instead of investing outright in Eskom and additional public power generation capacity to support the post-1994 impressive electrification rollout, priority was given to the liberalisation of

the power generation space and its associated measures.

When the Medupi and Kusile power stations were put into place, it was too little, too late. In addition, the two projects were badly designed, affected by shoddy work and experienced delays and cost overruns, contributing in no small measure to the rise of the Eskom debt crisis. Back in the 1990s, Eskom did actually warn that growth in electricity demand will exceed generation capacity by approximately the year 2007, within ten years from the adoption of energy White Paper in December 1998. To prevent this situation, it was pretty obvious that immediate investment in new public power generation capacity was required. However, under the direction chosen that did not happen. Metaphorically, the “Ides of March” did arrive as the Soothsayer in William Shakespeare’s play, *Julius Caesar*, warned. Indeed, as Eskom warned, South Africa has been experiencing electricity shortage since 2007, resulting in the dilapidating load-shedding continuing to this day.

## **What has happened in the energy sector is yet another example of policy failure.**

Immediate steps need to be taken to stop the load-shedding as a matter of urgency. The measures required include rolling back neoliberal prescriptions in energy policy and dealing decisively with corruption, state capture and the sabotage associated with outsourcing at Eskom, political factionalism and wanton destruction of public infrastructure. Investing in new and modern public power generation capacity is urgent. This must include, as part of our just transition policy, research and development in clean coal technology given our massive coal endowment now benefiting the European powers—which, by the way, told us to abandon coal as a source of energy. To address the energy crisis that we have right now in our hands, we must use our national coal endowment strategically, just as we must drive public investment in renewable and cleaner energy sources.

## **Also, we must address the Eskom debt crisis.**

When current Eskom leadership took over (whose CEO resigned this week), they committed to servicing existing plants to the specifications of the Original Equipment Manufacturers and recruiting more technical staff, as well as tackling continuing corruption. Delegates may well want to ask why this has not happened, at least to the extent of seeing some improvement, rather than worsening of performance.

Part of the answer could be that short-term financial considerations are prioritised over the broader impact of the energy crisis on the economy. This seems to be the case with the issue of the purchase of diesel, but has it also applied, we wonder, to the acquisition of parts adequately to maintain the current Eskom power generation fleet? Delegates may want to consider whether there is a de facto abandoning of the public utility in the hope that through liberalising the power generation space profit-seeking interests will provide a better alternative. In that event, the

question that arises is better for who?

At the time of the release of the latest GDP figures some commentators suggested that the better-than-expected performance meant that “the economy” was less dependent on Eskom than previously thought. This perhaps points to a reality that many big corporates and wealthier individuals can and are finding solutions outside of Eskom. But this could be coming at the cost of depriving Eskom of its higher income customer base, while subjecting small enterprises and lower income households who have less access to alternatives to a less reliable and higher cost service.

The question we need to ask is can we simply allow the majority of our people to face such a reality. What will allowing such an unpleasant reality mean for our efforts to support co-operatives and small, micro and medium-sized enterprises and the township and rural economies?

## **Just transition in all respects, including finance**

We are entering a period globally that will see an accelerated transition to a lower carbon economy. This will be unavoidable and essential, even though the SACP is not convinced that the global capitalist system will be able to discipline rampant profit-seeking sufficient to save human civilization from the risk of catastrophic climate change.

In South Africa, as in the continent as a whole, there is much that could make such a transition highly unjust. Indeed, we are convinced that the default position of doing too little too late will confine us to just such a fate, and that avoiding this will require acting purposively and at scale.

It is quite correct that the developed world—by far the biggest polluters and main causers of human induced climate change—should be expected to provide resources to the Global South to support both mitigation and adaptation. However, there is also much smoke and many mirrors in their response to this demand.

For instance, more than 90 per cent of the recent \$8,5 billion “package” agreed at COP27 between our government and several imperialist countries is for loans denominated and repayable in foreign currency. The transfer of resources from the developed world is not the \$8,5 billion but the tiny fraction that is in the form of grants and perhaps the discount on the interest payable. The capital sum is our liability, repayable in foreign currency. Delegates may well want to ask what are the conditionalities attached to these loans.

Our government has said that we need at least \$98 billion to achieve carbon neutrality by 2050. Very little, if any, external funding in the form of resource transfers is available for adaptation. Yet climate science tells us that even if we contain the rise in average global temperatures to below catastrophic level (a big IF) we will face a proliferation of extreme weather events resulting from the global warming already in session. The floods in KZN and droughts in the western and northern parts of the country are but a curtain raiser of what is

likely to come.

What we need in the face of that inevitability is a massive programme, informed by climate science, of climate-proofing communities and infrastructure, and a just transition in all respects, including finance. Properly organised and resourced, these could drive a massive public employment programme, as well as support the local production of energy infrastructure inputs.

In his State of the Nation Address this year, the President called for

the completion within 100 days of a comprehensive social compact to grow the economy and create jobs. That has not happened because “organised business” led by financialised capital arrogantly refuses to accept any real commitments.

For such a social compact to take shape, it must include a national democratic revolutionary change in the macroeconomic framework, asserting the policy sovereignty of South Africa as an independent republic.

**“Roll Back Neoliberalism,  
Dismantle State Capture,  
Serve the People”**



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