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STATEMENT ON THE OUTCOMES OF ANC NATIONAL EXECUTIVE COMMITTEE HELD ON 27-30 SEPTEMBER 2019

The ANC National Executive Committee met from 27-30 September 2019 to discuss strengthening local government, an economic recovery and transformation strategy to improve the performance of the economy, gender based violence and the National Health Insurance.

The discussions on local government and the economy also included representatives from ANC Alliance partners, the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP), as well as various experts and deployed cadres.

An Economic Recovery and Transformation Strategy

South Africa urgently needs to turn around its economic performance, as the rates of growth and investment are too low. There are serious limitations on the ability of the economy to respond to massive unemployment, entrenched and rising inequalities, persistent poverty and slow recovery of our industrial capabilities. We welcome the last quarter that saw a rise in economic growth.

The NEC considered and agreed on a range of economic policy interventions to achieve a higher rate of economic growth and economic inclusion, based on presentations by its Economic Transformation Committee. The ETC presentations focused on progress on the industrial strategy, the energy and minerals sector, the state of public enterprises, the promotion of small and medium enterprises, as well as the macro growth and recovery strategy. There was a broad consensus across all presentations on the severity of the challenges and the key economic tasks of the moment.

The NEC confirmed that the overarching objective of economic policy remains to build an inclusive economy by stimulating investment, growth and job creation and thereby decisively tackling poverty and inequality, raising living standards and improving the well-being of all South Africans.

The meeting therefore concluded on a policy package to more effectively promote sustainable demand together with economic reforms that lay the foundations for medium and long-term impact. These reforms must provide especially young people, women and

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people with disabilities with opportunities to participate in the economy, while expanding the industrial capabilities of the South African economy.

The key areas of growth-enhancing reforms, most of which provide detail to basic policy proposals contained in the National Development Plan, government's 2018 Stimulus and Recovery Plan and the ANC's 2019 Manifesto, include:

- Modernising network industries such as energy, transport and telecommunications and making them more cost-competitive;
- Increasing competition and lowering costs and barriers to entry for small business;
- Prioritising growth in labour intensive sectors, such as agriculture, tourism, clothing and mining;
- Refocusing industrial and trade policy to promote competitiveness; and
- Export promotion and enhancing growth opportunities in the African region.

The NEC emphasised that these reforms would be complemented by measures to improve the competitiveness of the South African economy; macro-economic policy that supports economic objectives; and disciplined and effective implementation at all levels of government. The NEC reaffirmed the position that macro-economic policy must support the country's overall development strategy and contribute towards higher growth and employment.

On stimulating demand for goods and services, the NEC agreed that the package should include:

- Increased expenditure on infrastructure, which will support additional demand for steel, metal fabrication, cement, the construction industry, transport and logistics, as well as consumer electrical and other goods;
- Deeper localisation policies to regain market-share lost to imports, through strong public procurement measures as well as new partnerships with the retail industry to promote the Proudly SA campaign;
- Exploring new markets through trade policies that expand opportunities for exports to regional, continental and global markets for the goods that we produce, as well as appropriate measures to support domestic industries, especially SMEs and cooperatives;
- Implementation of our social policy, including revamping the Community Public Works and Expanded Public Works Programme, and other welfare-to-work programmes; and
- Macro-economic policies that support growth and job creation.

On improving the supply capacity of the economy, the NEC agreed that the package should include:

- a re-imagined industrial strategy, with identified industrial sectors to improve competitiveness and dynamism and job creation, a trade policy that supports these efforts

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and policies that increases the opportunities for youth, women, black industrialists and SMMEs;

- mobilisation of public, private sector and foreign direct investment;
- strengthening support to small, medium and micro enterprises and cooperatives;
- a regulatory environment that improves the ease of doing business, increases competition and addresses monopolies and economic concentration and improvement in the capacity of SARS and other public agencies to deal with illegal imports and illicit financial flows.

The NEC reaffirmed the commitment to an education and skills revolution, with dedicated programmes to expand early childhood education, improving the quality of basic education; as well as education and skilling of young people, training and retraining of women and workers to participate in a changing society and economy.

The NEC welcomed the work in progress to conclude detailed sector masterplans with all stakeholders in the prioritised industrial sectors, including agriculture and agro-processing, clothing and textiles, steel, auto and components, tourism, the green and digital economies, mining and beneficiation, energy, chemicals and plastics, the creative sectors and the ocean economy.

The NEC noted and supported the new approach to the development and expansion of various spatial economic initiatives, including special economic zones, industrial parks and district-municipality interventions. It agreed that budget and policy instruments should be aligned to the sector and spatial work so that the plans are adequately resourced and implemented in partnership with local government, the private sector and labour.

The NEC re-emphasised the importance of SMMEs in our economic strategy, in job creation and inclusion. The NEC adopted a further package of measures to support SMMEs, in the areas of access to information and SMME policy coordination; enterprise development and support; SMME funding; products and markets support and an appropriate regulatory framework for SMMEs.

The NEC affirmed the approach of a balance between national development goals and global obligations with regards to climate change, particularly in the energy sector. The Integrated Resource Plan should articulate the lowest cost option for the future energy mix for South Africa, with increased contributions from renewable energy sources. The NEC agreed to develop a strategy on a just transition to a low-carbon path of development that takes into account the interests of workers, communities and broader society. This should include such new technologies as fuel cell applications which require platinum group metals (PGM) which South Africa has in abundance.

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The NEC emphasised the importance of investment in current and long-term infrastructure needs, including investments in economic infrastructure (such as roads, bridges, dams, electricity and water supply), social infrastructure (such as schools, hospitals, parks and administrative services) and economic services (such as business enterprises). In this regard, public-private partnerships, especially in aviation and energy and other areas, will be critical. It was noted that many consultations had been held with relevant stakeholders to deal with these matters, and that the urgent challenge pertains to implementation.

Other priority areas include the restructuring of Eskom and dealing with Eskom's unsustainable financial position; and tackling the poor financial position of Eskom, SAA, Denel and other state owned companies. It was agreed that the long-standing ANC policy with respect to strategic equity partners in various state owned companies; and consideration will be given to models of worker and social ownership.

In the wake of weak growth, there is a renewed appreciation by the NEC of the roles of the private sector and labour as a key partners for growth. It welcomed the initiatives by the President and government to build social compacts, based on a common commitment to enhance the general economic welfare of the nation.

The NEC noted the discussions at various forums to speed up economic recovery, including engagements at NEDLAC, the Jobs Summit and Investment Conference and through the CEO Initiative. Among the multitude of programmes that require intensification are the YES Initiative, the small business fund and public-private partnerships. The meeting also reaffirmed the need to pay attention to uncompetitive behaviour in many sectors of the economy, resulting in high prices for consumers and barriers to entry, and supports the ongoing work of the Competition Commission in this regard.

The framework developed at the NEC will now be taken through urgent consultations to enrich the ideas and to build consensus on further measures to boost growth and economic inclusion as part of building a new social compact on the economy, providing a strategic framework within which South Africa's upcoming Medium Term Budget Policy Statement will be presented at the end of October 2019.

Overall, the ANC emerges from this NEC meeting with a clear determination to act decisively and resolutely. The ANC will meet its Alliance partners in the Political Council. It will also engage other social partners to build an overarching social compact for the implementation of an economy recovery and transformation plan.

STRENGTHENING LOCAL GOVERNMENT

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The NEC furthermore discussed the state of local government and local development, and took the following key decisions:-

- The NEC endorsed the District Development Model (DDM) that aims to improve cooperative governance - joint planning, budgeting, implementation and monitoring - across the three spheres of government. All ANC structures will be mobilised to get involved in supporting this initiative, working with civil society, ANC councillors and local communities. Where municipalities run into problems, government should start by using Section 154 of the Constitution to address problems and support municipalities, before considering invoking the provisions of Section 139.
- Managing Performance of Local Municipalities and ANC Councillors: As we committed ourselves to society during the recent election campaign, the ANC has started to review its own performance and that of its public representatives in all municipalities, so that we strengthen the accountability of ANC deployees in local government. This process will be concluded before the end of this year, and we shall work to support struggling municipalities and have accountability and consequence management where required.
- On Fighting Corruption and Clean Local Government: The NEC decided that the involvement by ANC members and leaders in tenders contributes to competition for resources. This, together with the rise of predatory business lobbies and forums, has an adverse impact on local government and ANC structures, creates instability in communities, poor performance on basic services, and damages the image of the ANC. The ANC municipality troika must not be involved in supply chain management and tenders. We commit to clean and ethical governance at local levels, and to taking firm action against cadres involved in corruption, fraud, nepotism and wasteful expenditure. ANC deployees in local government must follow up on the recommendations of reports of the Auditor General, to improve audit performance of ANC municipalities.
- Strengthen ANC Local Government Candidate Selection: The NEC agreed on a process to review the ANC candidate selection process. This included reworking Through the Eye of a Needle and expediting the implementation of 54th National Conference resolution for the establishment of a permanent ANC Electoral Commission. The SGO will provide guidelines and co-ordinate the evaluation of current councillors before the selection of candidates for LGE in 2021 commences.
- Debt Owed by and to Municipalities: The ANC will immediately embark on a mass campaign to mobilise and encourage society to pay for services. Municipalities owing Eskom and water boards must settle outstanding debts or make arrangements to do so and Eskom and water boards must refund municipalities where it has overcharged them. National and provincial

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departments that owe municipalities and Eskom for services must also pay their debts. The relevant authorities in government will ensure that monies owing are settled in a manageable way over the coming period.

The NEC calls on all local communities, citizens and other stakeholders to participate in shaping the district model of development, in ward committees and other community structures, the development of the IDP and other local community initiatives.

ON CRIME AND VIOLENCE IN SOCIETY

The NEC received a report from the Peace and Stability Committee on the crisis of gender-based violence and recent criminal violence against foreign nationals and South Africans. Violence is violence, irrespective of nationality.

The NEC expressed its abhorrence and condemnation of all forms of abuse, intolerance and violence against women and children.

On Gender-Based Violence: The NEC ANC will develop and implement a comprehensive programme against gender based violence throughout all its structures. The meeting agreed that ANC structures will strengthen community safety forums and educate our people on the serious scourge of rape, assault and violence in society.

The NEC further agreed with the commitment of government to strengthen the whole criminal justice system to clear the backlog of gender-based violence related cases and ensure successful prosecutions going forward.

The ANC will engage its members and structures on the underlying causes and attitudes that lead to gender-based violence, particularly amongst its male members, so that we address root causes. South African men must understand that they do not own women, their partners, wives, sisters, daughters or any woman.

On Migration and Violence against Foreign Nationals: The NEC received a report from the Peace and Stability Committee on recent criminal violence against foreign nationals. The meeting endorsed the measures undertaken by government to ensure an increase in visible policing and strong law enforcement in all areas affected by violence and lawlessness, to strengthen border management and to engage with the African Union and other multilateral institutions on migration matters.

NATIONAL HEALTH INSURANCE

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The NEC noted progress towards implementation of the National Health Insurance. It is a critical step towards universal health coverage and our constitutional mandate of access to quality health for all. It also received an update on implementation of the Presidential Health Compact on improvements in the public and private health care systems. The NEC also noted the report of the Competitions Commission on Health Market Investigations.

It also recalled the recent UN Declaration on Universal Health Coverage, which reaffirmed global humanity's commitment, through the Sustainable Development Goals to "the right of every human being to the enjoyment of the highest attainable standard of physical and mental health, without distinction of any kind."

The NEC resolved to strengthen mass mobilisation of ANC structures, the Alliance and all progressive forces in support of the NHI, to educate members and society on the NHI. It expressed its support for the Million Signature Campaign by the SACP and will join forces with the Congress Alliance and MDM in social mobilisation programmes for submission to Parliament in support of the NHI Bill. The NEC further mandated the NWC to finalise and submit the ANC's written submission on the NHI Bill to Parliament before the deadline.

DAY OF ACTION TO END TO GLOBAL SANCTIONS AGAINST ZIMBABWE

The Southern African liberation movements met in September 2019, and adopted a day of action to call for an end to global sanctions against Zimbabwe. The day of solidarity will be on 25 October 2019, and all ANC and Alliance structures are requested to mobilise activities on this day.

FILLING OF VACANCY AND COOPTION OF NEC MEMBERS

The NEC appointed Cde Lindiwe Maseko to fill the vacancy left by the passing of cde Edna Molewa on the NEC. The NEC also coopted the following comrades to the National Executive Committee:

- Firoz Cachalia (M)
- Ayanda Dlodlo (F)
- Blade Nzimande (M)
- Neva Makgetla (F)
- Bavelile Hlongwa (F)

The NEC observed a moment of silence on the passing of cde Bavelile Hlongwa, which occurred after the NWC recommended her to be coopted.

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The NEC also appointed cdes Mavivi Mayakayaka-Manzini and Terence Tryon to the Integrity Commission.

ANC MEMBERS CALLED UPON TO CHECK THEIR MEMBERSHIP STATUS, BEFORE THE SYSTEM GOES LIVE

The development of a modern online membership system for the ANC is drawing to a close, and ANC members on 12-13 October will be encouraged, across the length and breadth of the country, in over 4000 wards to attend branch meetings to check their status.

As part of this iZiveze campaign (meaning 'to show up'), ANC members who have not recently renewed their membership are encouraged to do so, and to bring their renewal forms to their branches on 12-13 October 2019.

The Ziveze (show-up) campaign is to ensure that all ANC members are in the membership database, before the online system goes live by the end of this month.

The new online system, which will allow ANC members to have direct access and control over their membership, is to prevent practices of gatekeeping and membership manipulation.

It will also strengthen organization and renewal at local level, because branches will have real time access to the status of their members, so that they can induct them and involve them in the life of the branch and communities.

ON THE 50TH ANNIVERSARY OF THE PEOPLE'S REPUBLIC OF CHINA

The NEC also congratulated the Peoples Republic of China on the occasion of its 70th anniversary of its revolution of 1949, and the achievements the country has made in eradicating poverty and taking its rightful place in the world.

CONCLUSION

The National Executive Committee recognised that the country is going through a difficult historical moment – for households, young people, women and communities. As a nation, these difficulties are not insurmountable, if we work together to find solutions to these common challenges.

At the end of the day, the only way to find solutions is through dialogue at local, sectoral and national levels, and by working together to tackle our problems together. The NEC reiterates

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its stance that violence only creates new challenges, and is not conducive to an atmosphere of problem solving.

We believe that the economic recovery and transformation strategy will help turn our economic fortunes around, and provide the foundation for building an inclusive economy for all. The NEC welcomes the over 700 submissions made on the National Treasury discussion paper as a clear indication that South Africans remain committed to finding solutions and working together to build a better life for all.

In a similar vein, the frank national discussions and actions on gender based violence, and on violence against foreign nationals and migration, is an indication of a nation committed to tackling complex problems.

Let us commit to work together, in the spirit of khawuleza.

Issued by the Secretary General, Ace Magashule on behalf of the National Executive Committee

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