

# PERSPECTIVES FROM THE ANC YOUTH LEAGUE POLICY DIALOGUE

May 2007

## Introduction

In June 2007, the ANC will convene a Policy Conference, whose aim is to consolidate perspectives on the various challenges facing our movement and our country, in preparations to the ANC National Conference in December 2007. This Policy Conference provides platform for ANC structures to debate policy issues in the backdrop of policies and programmes implemented over the past decade since our democratic breakthrough. In these discussions, there would be no proposal cast in stone, as it is the National Conference that can finally adopt ANC Policies for implementation. However, this Policy Conference would make recommendations to the ANC National Conference is therefore part of the process of serious engagements within the ANC to refine our intervention strategy on the challenges we face as a movement. It is therefore vital that the ANCYL structures are part of these important debates as they would in all likelihood inform conference perspectives that would underpin in time resolutions on ANC and government policies and programmes. This perspective of the ANCYL seeks to address itself to contentious issues as raised by the ANC Discussion Documents.

## A: STRATEGY AND TACTICS

### 1.1) Shift from historical ideological disposition of the ANC

The ANC has always historically characterized white monopoly capital as the enemy in the unfolding national revolution. This is rooted in the understanding that the national question in South Africa is dialectically related to class contradictions.

The draft strategy and tactics document focuses on the national question and de-link the resolution of this challenge to class contradictions. This becomes evidently expressed in the manner in which the document treats labour and capital as equal partners in the new developmental state. This dilutes our bias to the working class, the rural poor and the downtrodden.

What this points out is that class analysis and class relations are articulated in an inadequate manner in this document.

### 1.2) Characterisation of the patriotic bourgeois

The emergence of this stratum is a logical consequence of the struggle against colonialism and national oppression. Experience in the countries of the South, and in our continent, and our country requires that we treat this stratum with caution when we characterize it. This arises from the fact that this stratum is not necessarily an independent class as it has an obscured relation to the means of production.

Consequently it neither has its own class identity nor its own independent class interests, as it leans to, and administer the interests of white monopoly capital to unlock resources for itself and in

the process, fails to articulate national interests as it get assimilated to conservative methods of capital accumulation. Thus an overemphasis on this stratum as a motive force is likely to lead to a situation where only few benefit from social change

Needless to make the point that the objective conditions for the emergence of this patriotic bourgeois have provided favourable conditions unfettered accumulation of capital by white capitalist class and turning this patriotic bourgeois into their "salespersons/ life insurers" for their capital accumulation.

It is thus necessary to conceptualize and further elaborate how its interests can be synergized with the interests of the nation. What this scenario highlights, is the sense in which we still have to confront the broader task of economic transformation

Linked to this, is the necessity to define the motive forces with hindsight of examining those forces that stand to benefit from the resolutions of the immediate contradictions.

The ANC YL argues for an incorporation of this analysis to further expand the area that deals with the patriotic bourgeois.

### **1.3) The definition of motive forces**

Our definition of the motive forces has always been closely related to our understanding of the CST and the strategic objective being the liberation of blacks in general and Africans in particular.

Historically we have defined motive forces as those social forces, classes and strata in society that stand to benefit from the processes of social change. In this regard we have further argued that our immediate objective is to resolve the national question.

Our characterization of the national question has always been positioned as interlinked to class exploitation, and hence our political programme would be biased to the working class, the unemployed, the rural poor and the landless. In the fairly recent documents, we have even argued that we would work towards ensuring that interests of this segment assume the status of hegemony in society.

This segment, together with the black middle class, and now the new patriotic bourgeois, have been included in the definition of the motive forces.

It is understood that whilst we seek to resolve primary contradictions manifesting themselves in the national question, there are secondary narrow class interests within the motive forces.

The ANC Youth League submits that this analogy is derived from historical positions of the movement and remains relevant to the current South African situation.

### **1.4) Globalization and Imperialism**

There is over-emphasis about the global context within which the NDR unfolds and some of the possibilities that exist for the country to enhance development. This analysis however does not include the global unequal and exploitative power relations that are at the centre of our characterization of Imperialism. It is important that we explicitly state that Imperialism hinders the realization of a just and a humane world order and thus is a threat to our revolution.

The emergence of China as a new force in this new global order is understated in the characterization of the US as a "hyperpower", solely determining the global configuration of power and relations. There is a necessity for a comprehensive analysis of new emerging "superpower" forces such as that of China, which gives possibilities for an end of unilateral actions in the future through a multipolar environment. Our argument is that China and other smaller emerging powers represent a re-emergence of multi-polarism and therefore the possibilities of our development must be assessed within this reality of things.

The ANC Youth League submits that there has to be a better characterization of the new global era to include the unequal power relations between nations of the north and south, the increased capitalist dominance in the new global order and its impact on developing nations.

Dominant global forces must be analyzed in terms of the broad political, economic interests they seek to pursue rather than focusing on military capability as the sole consideration for analysis

### 1.5) The state vs. the market

The draft document asserts the role of markets in the processes of change. However the problem with section 107 is that there is an absence of problematization of markets. This section gives an impression that markets are relatively efficient.

Markets are inadequate to address social needs. This is primarily because the liberation movement has inherited unequal distribution of income and massive inequalities rooted in the injustices of apartheid that has created huge social security backlogs.

Socially efficient markets require the following specific conditions:-

- Incomes are sufficiently equal that market demand essentially expresses social needs
- The price of a product reflects its full cost and benefits to society
- Market actors have sufficient information
- Resources move easily between activities
- A high degree of competition exist

In South Africa these conditions do not adequately exist or does not exist at all. It is only logical that markets will therefore not compel private interests to meet social needs.

The developmental state needs to intervene in markets and re-orientate them to play a developmental role. In this regard, the section should articulate clearly our long held view of the necessity of a mixed economy approach.

## 1.6) Developing a coherent gender perspective

The struggle for women emancipation derived from the understanding that women suffer triple

This does not mean displacement of other staff in government and replacing them with exclusively ANC members, nor does it mean dictating employment generally of support staff in government departments.

Amongst the key issues on deployment is the issue of what we have characterized as “two centers of powers”, a scenario we reject because it seeks to cause two antagonistic power outposts in the ANC and in government, and we correctly said this is recipe for disaster. Our view is that the “two centers of power” scenario creates a situation wherein there would be conflicts in the interpretation of ANC policy between the “two presidents”, of the ANC and of our country, resulting in unnecessary polarization that would only undermine our implementation of the transformation programme. Likewise, we must reject the notion that suggests we must have some elaboration on how the ANC presents to the public the president of the country because we believe the issue is well clarified and there has been never a dilemma since Madiba’s presidency up to now.

Linked to the articulation of the centrality of the ANC, is the necessity to discuss the role of the Alliance in the process of social change. The YL further call for an explicit exclusion of SANCO from the alliance structures to be reflected in the strategy and tactics document. This is because SANCO’s existence duplicates the role of the ANC structures, particularly the branch, and we cannot afford to outsource the ANC’s leadership of society in social transformation or have such leadership mediated through SANCO or any other organisation. We must reject the notion that the ANC would “outsource” its interaction with the masses of our people through SANCO or any alliance partner, and that the alliance itself is premised in differentiated mandates that by and large seeks to attain the same objectives as exemplified by the NDR. We therefore re-affirm the relevance of the tripartite Alliance noting the dialectical function played by each partner to the alliance in our revolutionary transformation agenda.

Throughout the whole document there is no reference to the people / masses as drivers of the NDR, yet the ANC is a people centred movement. It refers to the people only as “consumers of progressive change” and there is need to articulate that the masses of our people must be at the center of social transformation programmes.

### *Mafikeng Conference*

This ANC YL national policy dialogue endorsed the ANC’s strategy and tactics document as adopted in the Mafikeng Conference and as reaffirmed in the Stellenbosch Conference as correct and an important document from which we derive our political programmes and that the current draft is highly flawed in articulating our strategy and tactics.

## **B: SECTOR ISSUES**

### **2) Economic Transformation**

#### **2.1) Context**

The two most critical aspects on the transformation of the economy, is to ensure that all our people are part of the mainstream economy, and that we put an end to the “two economy scenario”, while at the same time therefore ensuring that we comprehensively de-racialise our economy. Economic

programmes such as BBBEE in order to ensure equity through increased economic participation of the previously disadvantaged black majority, those must be reviewed with the specific aim of ensuring that they include the majority of our people in reality as opposed as to on paper only. Linked to this is whether or not our macro-economic policies can in fact help us achieve our stated objectives.

Despite the macroeconomic frameworks and related economic programmes we have put in place since the advent of democracy in 1994, the structural inequalities that reflects the racist agenda of apartheid are still evident in the ownership of wealth, companies, listing on the JHB Stock Exchange, housing and generally access to opportunities in the market include various forms of consumption patterns. Post 1996 economic policy rested on a competitiveness strategy with the following:

- Macroeconomic restraint: fiscal policy aimed to reduce government debt and budget deficit and monetary policy focused on inflation using interest rates as a tool. For some time the Reserve Bank also defended the external value of the currency resulting in high net open position.
- Privatization of state owned enterprise and down-sizing of the public service.
- Trade liberalization – through rapid reduction of tariffs and trade agreements with other countries, principally the European Union.
- Industrial policy was subordinated to the dictates of trade policy instead of the other way round.
- The apartheid welfare regime was changed and income transferred to blacks, particularly the reformed child support grant.
- Labour market policy encouraged regulated flexibility. On the one hand granting a floor of right to workers while at the same time incorporating adjustment mechanisms.

These policy instruments have not created sufficient conditions for full employment and reducing poverty but has helped enrich big capital including a few BEE beneficiaries. It has been reported that in fact the greatest beneficiaries of our transformation agenda has ironically been white people who owns big capital! We must therefore be clear on the issue of fronting and how we can remove related obstacles that have been used to delay the attainment of our economic policy objectives.

Our macro-economic policies have resulted in relative stability of our economy vis-à-vis other economies, including curbing inflation and promoting increased growth. However, we suffer from what has been called a "jobless growth", and we must seek measures that maximize employment creation so that whatever economic growth or development we have, that is premised on incorporating all our people through decent and permanent jobs, irregardless of race or gender.

The ANCYL starting point is that economics is about people and resources. It is about the choices people make to utilize scarce resources. Any discussion about the economy should be about political decisions on economic instruments the ANC chooses, from which experts, technical people and bouocrats must elaborate the detail and not the other way round if indeed we are to succeed in making our economic paradigm work in line with our revolutionary objectives. We cannot afford to be preoccupied with growth simply because certain experts tells us that must be our priority, when we know our priority are job creation and the eradication of poverty.

Our emphasis is that young people, who constitutes over 70% of the 30% that is unemployed, must be prioritized for both skills development and employment opportunities in order to broaden the empowerment of our people and break the apartheid vicious cycle of inequality that some have characterized as the two economy scenario. The financial sector must be made to facilitate investment in economic production and there must be biases to direct investments be it from local or foreign sources, as opposed to speculation in the JHB stock Exchange.

## 2.2) Over – arching issues:-

### 2.2.1) The developmental state

Amongst the critical challenges on policy issues up for discussions would be to articulate a vision and strategy for a Developmental state consistent with the goals of the NDR. This must further define the nature of its intervention to the economy. In this regard we articulate an understating that markets on their own are unable to meet social needs, against the background of inequality and poverty. In this respect we should not only concern ourselves with the rate of growth but also with how it is shared and generated. In this respect we must argue for the synchronization of macroeconomic policy to social development and the industrial strategy, while addressing concerns that macro balances should not be upset to the detriment of overall economic stability. We must be clear on the comprehensive social security measures that reflect our state of development, particularly the high racial and gender inequalities. Within this context, we must discuss the issue of the Basic Income Grant.

### 2.2.2) Poverty and inequality – the necessity for a new economic growth path

Thirteen years into the new democracy, the problems of inequality and poverty still persist in South Africa. South Africa has one of the most unequal distribution of income in the world, leading to poverty on a mass scale. Another legacy of apartheid causing poverty is low level of skills for the majority of the population who then become unemployable. This has meant that apartheid wage gaps still persist in the new South Africa. Job losses that have continued unabated in the new South Africa have exacerbated income inequality; affected the youth in a negative way and this potentially undermine government's efforts to fight poverty and its family linked vicious cycles where the poor pass on their poverty to their children through lack of support for development opportunities such as skills development.

The effect of poverty is well documented. The ANC YL reiterates the point that poverty slows economic expansion through restricting domestic demand.

Much has been said about the assertion that the GEAR strategy has led to macro – economic stability leading to reserve pile up and economic growth. It can also be argued that the same growth path exposed vulnerable sectors of the economy to the vicious competition of the new global order leading to their demise and by extension to job losses. Effectively, what we have had is what others have called a jobless growth and this is because we have gone further than even advanced economies in implementing stringent economic measures that suffocates local business initiatives in favour of those that import cheap products, crowding out local production and therefore employment. Even advanced economies do support many of those industries that they

deem unfit to withstand international competition, yet we have exposed all our domestic business initiatives to all the harshness of the global economy.

The ANCYL calls for a new economic growth path which must be driven by the desire to meet the country's social needs and this must explain how the broader economic environment would enable an industrial strategy that takes into cognizance local business initiatives.

This new growth path must link growth to employment, income distribution and social equity. The ANCYL further argues that ASGISA should be part of this overall growth path and should not be construed as a series of unrelated, once off projects. The increase in consumption due to comprehensive social security measures must be positively used to enhance further production and therefore employment creation. Therefore, where social security measures are implemented, that must be on South African produced goods and services to encourage further production, employment and therefore lesser dependence on the State for individual livelihood. Our social security measures must therefore be used to rope in more people into the mainstream economy.

In implementing economic transformation policies, there must be special emphasis on youth development as means to create a sustainable future for all our people.

## **2.3) Specific policy proposals**

### **2.3.1) Industrial policy**

There is a necessity to finalize the industrial policy, which must contribute to massive labour absorption, skills acquisition and transfer, technology acquisition, and economic growth. South Africa has huge resources which gives hope for further industrial progress, but without technology and expertise, these resources would be exported raw only to be imported as expensive finished products. Exporting raw materials is not good for our desire to create employment opportunities, and the low skills base in various industrial sectors must be addressed massively, including ensuring that programmes such as JIPSA do not become merely auditing special projects on the extent to which we lack certain skills. There must be a concerted efforts that we produce all levels of skills that would put our economy on par with the advanced economic competitors in the global economy.

The ANC Youth League further believes that the following policy instruments must be an integral part of our industrial strategy:-

- The industrial strategy must highlight what manufacturing sectors that must be supported, and also how to support SMME development.
- The Industrial Strategy must also have, as part its focus skills development targeting women and young people.
- The role of the private sector must be defined with clear responsibilities, not just as beneficiaries, wherein government would alone create environment for their activities but also being part to the resolution of social issues such as access to basic services. The private sector must be obliged to ensure corporate responsibilities are upheld, e.g. when mines create capacity to get

water and electricity for their own work, they must extend these to the communities around.

- There is a necessity for cooperation between provinces where industries are located in cross borders. Industrial strategy development initiatives must however be the prerogative of central government
- The proudly South African campaign seeks to ensure bias towards South African products, and we must be clear on quotas of local produce, such as on TV production that shapes the attitude of our youth.
- The industrial strategy must also speak on beneficiation, wherein for instance mines would process their products in South Africa and create more employment and wealth for our country through value added exports as opposed to exporting primary products or raw materials.
- The industrial strategy incorporates enhancing the development of SMME's. The ANCYL argues the necessity of an industrial policy that addresses the demand needs of this sector and locate its supplies as part of its overall value chain in the output of various industries. In this regard the ANC YL calls for explicit measures in the Industrial strategy that highlight the institutional support and incentives to be given to those industrial players that enhance SMME development. Such support must enable SMME players' natural progression to be big players. Some measures must incorporate BBEEE targets.

### **2.3.2) Labour market policy**

There are a number of progressive interventions that uphold the basic rights of workers, and simultaneously fast tracking labour market transformation in the past thirteen years. Whilst progressive laws have been passed, the developmental state has not enforced the provision of the legislation. There must be a focus on increasing the capacity of the developmental state to enforce relevant legislation, ensuring compliance.

Arising from this, is necessity for the developmental state to resist efforts of creating a two tier labour market, where a regulated labour market will exist for the central first economy and an unregulated, exploitative labour market for the peripheral second economy. The latter would be disastrous in the context of grinding poverty and the absolute need for social protection.

There is a necessity to review "the last in, first out" principle with regards to retrenchment as this policy discriminate negatively to young people who would be first time entrance in the labour markets. The ANC YL argues for "a value added" principle which must be applied for this process. This will ensure the long term sustainability of any enterprise.

### **2.3.3) Fiscal and monetary policy**

One of the critical attributes of the GEAR strategy has been the use of this policy instrument in a manner that creates a conducive environment for investment and economic growth. The use of these policy instruments has had their own unintended consequences.

The use of monetary policy has been focused mainly on inflation targeting and creating a “conducive interest rate” environment. The hidden truth however is that far from avoiding inflationary pressures, the devaluation of the currency, through increasing interest rates only contributes to cutting the cost of doing business in South Africa and encouraging exports, and couched in flowery terms ‘ it ought to encourage foreign direct investments’ (FDI).

Experience points out that the integrated global economy, coupled with the pressure for a more liberalized and opened economy in the countries of the south poses a threat to inflationary pressure as capital moves freely and quickly throughout the globe. This movement, coupled with upward movement of prices of commodities across the globe accounts for inflationary pressures for developing countries. A conflict in the Middle East or controlled oil production by OPEC countries spirals the commodity price of oil, and this triggers inflationary pressures for developing countries economy as the price of moving commodities are absorbed by the consumers.

The majority of consumers in our country, because of their limited or non-existent asset base rely on credit to be able to improve their purchasing power and thus meet the household consumption needs. Whilst our monetary policies uses interest rate tool to devalue the currency and make exports more attractive in price terms, it unwittingly distorts and stifle the demand side of the local economy as it forces consumers to buy less. With a wide apartheid wage gap, the benefit of increased interest rate does not filter through to the poor as they do not have money to be spared in banks. The consequences become disastrous for this segment of our population as the increase in interest rates leads to a direct assault on the life style. The middle class, especially the professional youth in particular bears this pressure.

The ANCYL calls for a review of the monetary policies to ensure that they play a more developmental role. Against the background of grinding poverty and massive infrastructural background, consideration must be given to utilizing state enforced price controls on basic food stuff and the necessary construction material required for infrastructure delivery.

Gear strategy has focused our fiscal policy on narrowing budget deficit by servicing apartheid debt. The positive spin off of this self imposed structural adjustment programme is that it has radically improved our credit position in the institutions of global finance. However, the investor confidence we have gained over the years have not translated itself into productive investments that lead to massive labour absorption and significant onslaught to poverty.

The current budget surplus is a result of fiscal austerity measures whose application and success has had to rely on the sacrifice and the patience of our people. This budget surplus necessitate that the developmental state move with speed and precision to significantly reduce the level of poverty afflicting our country.

The ANC YL argues for a reorientation of the fiscal policy to focus less on budget deficit and servicing apartheid debt, and focus more on meeting the basic social needs. The ANC YL acknowledges that there has been a staggering increase of budget allocations to social infrastructure. The ANCYL now calls for a significant increase of budget allocation. This must be done in tandem with increasing the capacity of the developmental state in ensuring that these allocations benefit our people.

The first question and challenge is one of youth development in its entire dimension, namely economic, social and cultural. The Policy Paper recognizes the fact that young people bear the brunt of unemployment and poverty. Over 75% of the unemployed are young people under the age of 35 years, especially black youth. This problem is particularly severe for African young women who face unemployment rates as high as 30%. Secondly, young people within this age cohort have no income or other support from the state. If you are between 18-35 years and never held and are unemployed you fall through the cracks of the social security network.

Young people face complex conundrum: they cannot access employment opportunities because they lack necessary skills and experience. Simultaneously they face serious obstacles in accessing skills due to the high cost of post-matric education and weaknesses in the FET and workplace learning stream. Over 60% of people under the age of 35 years that are unemployed never held a job before according to statistics South Africa. This brings into sharp relief the nature and extent of the crisis of youth development and calls for multifaceted interventions. Society should also recognize that failure to invest in young people does not bode well for the future and undermines productivity in the long run.

**2.4) In response to the Policy Document, the youth league response should be anchored on two principles:**

- a. Youth Development should be seen as an integral part of the strategies to fight unemployment and poverty, rather than as a separate special focus. For that reason, any strategy to increase absorption of labour should by definition address mass unemployment among young people. As such, youth development is at the heart of our development strategy by virtue of the fact that young people bear disproportionate burden of the effects of under-development, unemployment and poverty.

Further, an anti-poverty strategy that selectively focus on the 'poorest of the poor' fails to recognize the mass of young people that currently fall outside of the social security net. Such a strategy is predicated on the notion that this section of the poor should pull themselves up by their bootstrap. In the context of depressed economic situation such a strategy ignores the reality face by young people who are trapped by the dual challenge of accessing employment and higher and further education.

To the extent, that there should be special focus on young people, this should not be interpreted as suggesting a special regime to cover young people. This point will be further addressed in the point (b) below. To sum, youth development is a multifaceted approach and is at the centre of development strategy. Industrial strategy, social development and macroeconomic policy must do more to speak to the realities facing young people.

- b. The Youth League must reject the proposal for a special regime to absorb young people in the labour market, such as relaxed conditions of hiring and firing. Such a strategy fails to grasp the fundamental reasons why the economy is failing to create large scale employment. Moreover it puts blame on the supply side of the labour market and hopes that by tweaking labour laws and wages, the economy would create mass employment.

We must always bear in mind that the demand for labour is 'derived demand' in the sense that it depends on the demand for goods and services in the economy.

The NGC in 2005 rejected the notion of special regime for young people improve labour absorption in the economy. The Policy Document however reintroduces this concept in a disguised fashion and the youth league must argue for the amendment of the formulations that have the danger of calling for a two-tier labour market. The specific clauses in the Policy Paper are found in paragraph 124 which reads as follows:

"There are strong indications that there is an objective trade-off between the quantity and the quality of employment that is created. The fast growing service sectors tend to be those in which unions are weak and working conditions poor. Whilst remaining committed to fair labour practices and decent working conditions, *the manner in which we intervene should not undermine the job-creating potential of these sectors (emphasis added)*. How we respond to this reality is a matter that we must debate further within the alliance, particularly with the progressive trade union movement".

The manner in which the point above is made has the inclination to reintroduce the two tier labour system, which system we categorically reject because it exploits our people in general and our employment seeking youth in particular. The Paper asks the following question: "What are the main constraints on the absorption of labour into the formal sector." As such, the Youth League must emphatically reject the notion that suggests employment creation would be enhanced through exploiting the youth of our country through unprotected working environment.

## 2.5) Development Strategy for the National Democratic Revolution

The fundamental question facing the ANC in the second decade of freedom is to what extent economic policy shifts to a more developmental paradigm away from the competitiveness strategy of the mid 1990s may benefit society. As highlighted above, the Policy Document combines both a competitiveness focus, reflected in the obsession with reducing cost of business in the ASGISA strategy, which elements of a new strategy are evident in discussion on a Developmental State and Industrial Strategy. The Youth League contribution to the economic transformation debate could centre on:

- a. Articulating a vision and strategy for the Developmental state consistent with the goals of the NDR. In this respect we should not only concern allows with the rate of growth but also with how it shared and generated. In this respect argue for the synchronization of macroeconomic policy to the development and industrial strategy, while addressing concerns that macro balances should not be upset.
- b. Questioning the fiscal stance to accumulate *surplus* in the context of massive backlog on economic and social infrastructure. Therefore the leaguer should agitate for a modestly expansionary fiscal stance to unlock resources for education, health care, social development and infrastructure investment. Expenditure on these items not only improves human development outcomes it has positive spin-offs for growth, productivity and employment.

- c. Proposing other mechanisms to control inflation and manage the volatility of the currency. President Mbeki has raised concern with continued reliance on interest rates as a blunt instrument to control inflation. The league must call for broader package of measures to control inflation and manage the volatility of the exchange rate such as introduction of speed bumps. The current inflation targeting framework, including the target should be interrogated.
- d. The League should further articulate a position on industrial strategy including calling for more beneficiation and support for manufacturing. All economic sectors have to be interrogated from the perspective of industrial development, employment creation and contribution to growth. In this respect, trade and exchange rate policies have to be interrogated in terms of contribution to industrial development.

Social development and poverty reduction must be at the centre of our economic development rather than as deductions from growth. This means returning to the RDP vision of meeting basic needs as a contribution to growth and development.

## **2.6) International trade- the question of liberalization of trade**

South Africa has met its WTO trade commitments. In some instances, we have surpassed the scheduled implementation. The positive spin off of this is that it has increased competition and thus reduced the prices of certain commodities as the consumers could bargain for lesser prices. This has also had its own negative spin offs. The commodities that entered South African markets were not produced in the country. In the clothing industry, in particular, the less priced commodities were bought at the expense of Chinese, and Indian labour, who are subjected to extreme and barbarous forms of exploitation, where basic human and labour rights are not upheld. The value added approach of bringing technology, skills and expertise did not materialize as these products entered our markets as processed commodities ready to be consumed.

More significantly these “competitive” prices fundamentally destroyed the capacity of our manufacturing industry to produce and compete in the markets and thus leading to factory closures and job losses.

The recent breakdown WTO trade negotiations on the intransigence of the developed nations to remove agricultural subsidies to allow countries of the south to compete on equal footing points to the necessity of the developing state to protect vulnerable sectors of their economy from the dominant global forces.

The ANC YL calls on the government to be cautious on trade liberalization. There is a necessity to review the performance of various sectors of the economy with a view to directly intervene to protect those economic sectors whose failure in the midst of harsh competition in the global order will lead to job losses and poverty. The EU, US and other advanced economies have always applied different mechanisms to protect infant industries in their countries, or industries forever deemed incapable to compete in the global market such as those of agriculture.

## **2.7) Broad Based Black Economic Empowerment.**

The broad thrust of our policies to realize BBBEE has failed. The fact that a few elite has benefited cannot be overemphasized. One of the factors attributing to the failure of this policy is our inability

to significantly erode the power base and the influence of the white monopoly capital in the economy. Arising from this fact, is the necessity to accelerate economic transformation to tackle all forms of poverty. The second problem with the current paradigm is that it responds in an artificial and incremental sense to criticism on the thrust of these policies.

The major challenge of this policy is first and foremost the necessity for paradigm change in the content of these policies.

The ANC YL calls for government to grant franchise, licence, and or a tender to a BBBEE company which would qualify in terms of the legal definition. This would afford such a company an opportunity to bargain with various companies who have a technological know how and financial muscle for a better deal. This represents a turn around strategy, unlike the current practice which turns indigenous entrepreneurs into salesmen and life insurers, and fronts for white monopoly capital. Much of our effort on transformation have been circumvented by those resisting change, likewise the rife practice of fronting has robbed us of BBBEE as reliable tool to confront the legacy of apartheid inequalities. The BBBEE strategy need to be reviewed with regards to its inclusiveness or broadness around those involved. A few black elites have over and over again benefited while the majority of our people are still living in poverty. We must concretely propose ways in which ordinary people can participate and benefit from BBBEE programmes beyond equity exchanging hands without even the benefit of expanded production and therefore more job opportunities.

There must be consideration to institute a "Black Broederbond" as model derived from the Afrikaner Broederbond, in furthering the economic emancipation of the black majority to supplement or consolidate the BBBEE strategy. In the case of the Afrikaner Broederbond, successful enterprises such as Volks Bank, Sanlam and other industrial giants were made that benefited Afrikaner people and helped resolve what was called the "poor white man's problem", amongst the English, Afrikaner and other white communities. The aim however would not be to repeat the evils of apartheid in any way.

Government is currently a major consumer of goods and services. This therefore puts in a unique position to empower these entrepreneurs to bargain with established white business in establishing the terms of partnerships.

## **2.8) Restructuring and disposal of state assets**

The sale of transnet stake in waterfront, Cape Town to a foreign company raises fundamentally, the policy imperatives that guide the sale of these assets. The diluted local empowerment partnership in this deal only indicates that price was a major consideration and local empowerment took back seat. The danger with this practice is that if it goes without caution, then our country runs the risk of having its lucrative assets bought, owned and controlled by foreign capital.

The ANC YL argues for empowerment agenda to be a major determining factor in disposal of state assets.

The ANC YL therefore calls for streamlining of empowerment guidelines to add youth as a specific category in the point system, so that they are universally applied in all transactions which are about disposal of state assets.

Any endeavor to streamline the profitability and efficient operation of parastatals should always have as a last resort retrenchment. This resort must have demonstrated that all other avenues have been explored and these public companies must provide training to facilitate re- entry of retrenched to formal economy.

### **3) Social transformation**

#### **3.1) Context**

The backlogs created by apartheid are enormous and the study of the process of social transformation is reflective of the challenges posed by this legacy. The government has made strides in implementing social policy. However its successes have been overshadowed by a macro economic environment that prioritized fiscal austerity measures, and as a result led to grinding poverty. There are few policy adjustments that must be made in the area of social transformation. Youth development priorities should be a central focus of policy work in this area. Much of the work that must be done to ensure social transformation must involve young volunteers to identify and help make government social security measures to be accessible to all those that need them, especially through the use of the national youth service programme which will also help imbue the values of a caring society amongst our youth.

The overall challenge here is capacity and more resources. The policy challenge in the sector is mainly the following:-

#### **3.2) Basic Income Grant (BIG)**

Arguments against the introduction of the Basic Income Grant remain unconvincing. The essence of these arguments are about preventing wastage and sticking to fiscal austerity measures. The new conditions signaled by the budget surplus presents a strong case for the introduction of Basic Income Grant to help alleviate poverty amongst our people. It could be argued that, by alienating people from production, invariably the State and private sector has social responsibility to ensure that people continue to live as human beings with the dignity advanced by our constitution.

The ANC YL argues for the introduction of the BIG which must be linked to other forms of social assistance and social protection, including the empowerment of those assisted so that in the long run they can fully participate productively in the economy. The YL believes that these measures, if properly designed, provide immediate relief, but also help to stabilize household consumption demand and therefore can reinvigorate local economic development by increasing supply which would ordinarily be met by further investments and production. It provides for immediate stop-gap measure in the grey areas where government services have not covered them. When more people consume local produce because of these social security measures, more production would follow, and so would increase in employment opportunities.

### **3.3) The land question**

The immediate bottlenecks for resolving the land question lies in the willing seller – willing buyer principle and the inflationary consequence of “land grab” in lucrative areas by foreign capital. The extent to which the former has stalled the return of land to its rightful owners is well documented.

In this regard the ANC YL supports calls for a constitutional amendment to do away with this principle and to capacitate the developmental state to move with speed in giving back the land to its rightful owners.

The ANCYL further adds its voice in calling for the moratorium on sale of lucrative land to foreign capital. The ANCYL believes that this land must be used to change fundamentally the Apartheid settlement patterns to a more integrated human settlement patterns which must reflect the core values of the society we are building, including the fact that the black poor majority must reside within access to key economic activity centers such as central business districts.

There must be concerted efforts at ensuring that black farmers are supported to yield produce that would in turn help bring down the prices of food in our country. The muted production of fuel using agricultural produce may invariably help increase inflation on food, particularly for the poor. Other sources of energy must be explored, including the technology used by some hybrid cars that utilize hydrogen as source of energy.

### **3.4) Houses for all**

The size and the quality of houses built as part of the RDP programme undermine the purpose of our transformation agenda. Part of the problem lies in the fact that markets have been at a centre in the provision of houses. To improve the quality and size of the houses, the ANC YL makes the following proposals:-

That the developmental state considers the use of price controls in the construction industry to make construction material available in cheaper prices, and quality not to be compromised. Such a logic moves from the premise that the developmental state's housing infrastructure programme creates a huge market for building material suppliers and price controls do not distort the sustainability of these players.

The state must investigate creative incentives to assist this industry whilst simultaneously breaking down cartels that operate through price collusion.

This must include the investigation of establishing a special purpose vehicle or a housing parastatal to fast track the provision of housing delivery.

### **3.5) Transport and food security**

Linked to the issue of housing is the issue of transport, with regards to pupils commuting to and from schools, as well as workers commuting to and from work from their remote residential areas. There must be an affordable transport system and the government must prioritise ways to ensure that transport is accessible to all. The ever increasing petrol costs add to the anguish of our people,

who have to bear high inflations particularly with regards to food. It is often argued that the high costs of food are due to the high transport costs and in turn due to high fuel costs. There must be mechanisms to curb inflation and we agree with the notion that to use interest rates as main policy to determine our monetary policy is blunt and has unintended consequences of high inflation across the board. A targeted approach such as support for farmers would help reduce the high levels of food inflation.

As we approach 2010, this must be opportunity to address the transport system such that it serves the poor who spend the bulk of their income on transport and food. However, we remain opposed to proposal to use arable land for bio-fuel, as this would not only lead to excessively high inflation but also make food a privilege of the wealthy.

### **3.6) Education transformation**

Education remains the most important tool to address our past inequalities but also to forge a trajectory for future development of our country. Investment in the youth through education is the most reliable investment our country can ever make and there must be no stone left unturned in finding solutions on how all our youth can benefit from quality skills development programmes that would enable them to participate in the advanced kind of economy we are building. We must therefore call for increased funding for students in tertiary institutions in order to cater more for the needy. The fundamental problem with this area of work is that quality education remains a commodity accessed by the middle class and the bourgeois. In simple language this means that we buy quality education and the poor are given poor education for free. The education system in its totality mirrors class stratification and the legacy of apartheid inequality in our society.

The ANC YL acknowledges that the poor have been exempted from paying school fees, however this has not been matched by making adequate resources available to these schools to enable quality education. These exemptions only apply in public schools. Apart from massive infrastructural backlog which is evident in rural areas, learner support materials do not reach these schools in time leading to poor performances. There must be a clear concerted effort at making maths and science accessible by the majority disadvantaged learners to improve their competency and accessibility to economically viable career training that is consistent with the demands of our economy and thereby avoid the production of unemployed graduates.

The ANC YL argues for the de-commodification of our entire education system. This moves from the long held principle that education remains a right for all, and not for a privileged few. The YL therefore calls for education to be made free, from primary, secondary to tertiary. Relevant means must be found on how to fund higher education. This means in practical terms that the developmental state should provide adequate resources and infrastructure in the public school system to facilitate quality public education as well as the further skills development to cover all our youth.

Institutional autonomy in the higher institutions of learning remains a major obstacle to transformation. The ANCYL calls for a re examination of this autonomy with a view to ensure that transformation is accelerated and that these institutions respond in a dynamic manner to the country's developmental priority.

It has been argued that the content of the curriculum reinforces capitalist values and accumulation path. The ANC YL believes that learners must be exposed to all values to enable them to be empowered to make informed choices.

### **3.6) A National Youth Service Programme**

The National Youth Service Programme is an important programme to help those young people who find themselves outside the skills development institutions while at the same time are unemployed. The manner in which the programme has been implemented so far has not been as massive as proposed by the youth of our country, and many government departments have not been involved in its implementation. While massive programmes such as Expanded Public Works would be lead projects, we expect every facet of national, provincial and local development to adopted national youth service programmes. In implementing the NYSP, that would help imbue our youth with the values of patriotism, care for society while simultaneously gaining working skills and experience.

Young people can be utilized in providing care for those terminally ill, such as those infected with HIV / AIDS, cancer, TB etc, while imbuing the values of a caring society to the youth involved in the programme. Young volunteers can help in the identification of those in real need of social security measures and bring them to the doorsteps of government agencies tasked with this work.

## **4) Governance and Legislature, transformation of the judiciary and gender equality**

### **4.1) The necessity to enhance the oversight role of parliament.**

Critical to aspects of Legislature and governance is how we utilize parliament as platform to effect transformation. Various laws and bills have been adopted by parliament, including institutions and mechanisms to advance the process of change. The ANC has not been able to master the art of enhancing and deepen transformation through oversight role. The challenge that faces public representatives is the infusion of their oversight role to ANC policies and electoral mandate. This challenge expresses itself in tense and often acrimonious relationship between comrades in the legislature and the executive. A related challenge is the continual attack on the integrity of this institution through unscrupulous conduct and the role and the relationship of the NPA with this institution in carrying out its legal mandate. This is both a policy and operational matter that requires political intervention

### **4.2) Review of Chapter nine institutions**

The experience in the past thirteen years point out to duplication roles of these institutions. The ANCYL support calls for a review of these institutions with a view to rationalize and streamline them to be more effective.

#### **4.2.1) National Youth Development Agency**

Since the advent of our democracy, youth development has been disjointed and failed to provide a comprehensive address of youth development challenges. The ANCYL has mobilized the youth of this country to adopt the Integrated Youth Development Strategy (IYDS) that would provide a

comprehensive address on youth development, both institutionally and programmatically. The IYDS would be a programme in the three spheres of government as well as in the private and NGO sectors. The need to streamline, rationalize institutions that drive youth development has been articulated by the ANC YL since at least the 2004 National Congress. We reiterate the long held view of collapsing Umsobomvu Youth Fund and Youth Commissions into one single entity that will drive youth development, namely the National Youth Development Agency (NYDA). In this regard the ANC YL argues that government must move with speed in establishing such an agency. Similarly government must move with speed to create Local Youth Development Units as structures composite to the NYDA

#### **4.3) Electoral system**

The ANCYL support the current electoral system as the best model for strengthening democracy. Consequently, we call for the status quo to be maintained and reject the first-past-the-post as inconsistent with our revolutionary transformation agenda that is movement based. The first-past-the-post system gives powers to individual representatives and make them unaccountable to organizations and thus would rob our country of a revolutionary agenda.

#### **4.4) Voting age**

The ANCYL reiterates its view that the voting age must be lowered to 16 years. This takes into account that young people at this age can make intelligent choices and are given societal responsibilities as matured young adults. International studies shows that many democratic countries favour a lower age of 16 years, and because South Africa is generally a country dominated by young people, it would be proper that these majority of young people are enabled to vote and participate in shaping their country.

#### **4.5) Better coordination of different spheres of government**

Developmental local government brings government closer to the people. Its capacity has always been a challenge. More over, national and at times provincial governments have not been able to impact on local government due to their "institutional autonomy", needless to say that the best intervention so far has been project consolidate and there must be legal basis to ensure that such interventions are done without hassles but also without undue interference with some level of autonomy of provincial or local governments by national governments.

The ANCYL recommends for the development of mechanisms that enable national policies to permeate provincial and local governments, whilst simultaneously improving their capacity to deliver programmes that improve the quality of life of people.

There must be a review of the role of provinces and how they are structured, in relation to the role and structures of local governments. The emphasis must be to empower local governments and increase their capacity to deliver through enhanced structures and resources allocation from national government, as opposed to the bulk of resources being channeled to provincial governments.

#### **4.3) Deepening the transformation of the justice system.-**

##### **4.3.1) The challenge of a reactionary judiciary.**

Noticeable progress has been made in the progressive interpretation of our constitutional provisions in the constitutional court. This however has not permeated in judges in other courts. The experience of our people in the courts of law point to a reality that the value system of white judges points out to a racist apartheid hangover. This undermines significantly our endeavor to ensure that everyone is equal before the law and to boost confidence in the justice system. The ANCYL argues for concrete steps to be undertaken by government to ensure that judges are accountable for their decisions and that these are underpinned by upholding the bill of rights as enshrined in our constitution.

##### **4.3.2) Decriminalization of petty offences**

The ANCYL calls for a decriminalization of petty offences such as nuances and various traffic offences, which would partly help ease congestion in our jails. As it is, young people, including children as defined by our constitution, languish in jail where due to the actual conditions such as gangsterism and drug abuse in our prisons, they end up being hardened criminals. It is the contention of the YL that sending a person to jail must not be a light thing, because rich people who can easily pay their traffic fines for instance, do not go to jail and the poor who cannot pay whatever fines they have end up in jail, and because of our economic past this is likely to be persons from the poor black majority.

##### **4.3.3) Separation of powers**

There must be clear distinctions on the various roles of our organs of State, such as those pertaining to institutions of intelligence, the Executive, the legislature, the judiciary and the police force. Often the case when lines amongst these platforms are blurred there is space for abuse of power, where some acts as prosecutor and judge at the same time because of the linkages in appointment of certain people across these spheres of the State and what then becomes their roles and functions, vis-à-vis taking impartial positions on matters of conflicts. The ANCYL believes that the police functions of the NPA must be incorporated into the SAPS to create a single police service, wherein the intelligence functions must be incorporated into the relevant statutory intelligence bodies and the prosecution be left to a single judiciary. There must be no State institution that has more than such powers, because then there is no oversight of one State institution by another.

#### **5) Peace and Stability**

The role of the NPA has been problematic over the years, in that it has abused its powers by casting aspersion on the integrity of those it investigate through subjecting them to media kangaroo courts. The ANCYL calls for the investigating arm of the NPA to be merged with SAPS to avoid duplication of role and unhealthy turf competition. Likewise, the prosecution functions must be integrated in the justice system, while the intelligence functions must be incorporated in the relevant intelligence institutions.

The ANCYL calls for a single police force as stipulated in the constitution, with various divisions established within the SAPS in order to ensure efficient administration etc. Young people must be brought into the SAPS work in as far as none core policing work is concerned, through national youth service, and therefore free some of the police to do the core policing work for which they have received specialized training.

Young people must also be involved in a massive programme of community policing and safety that would include night street patrols and have stipends paid by government as part of the national youth service to instill the value to serve and protect the community and public property amongst our youth.

## **6) International Affairs and the media**

### **6.1) Human rights as integral part of international relations**

The government approach to international issues, wherein we refuse as a country to tail the imperialistic agenda of the US and Britain must be emphasized. The ANC and government must be vocal in condemning human rights abuses where it rears its ugly head. We must refute the notion stated in the Strategy and Tactics that suggests the US is a "hyperpower" that cannot be opposed by any country. The fact of the matter is that there are emerging "superpowers", such as China, that have in many ways demonstrated a threat to the sole hegemony of the US in economy as well as in the military. Our international relations must therefore not be premised on an exaggerated image of the US as some "hyperpower". Signaling therefore that we are helpless against this single country.

### **6.2) Solidarity**

The ANC has a history of solidarity in struggle with other progressive organizations across the world and together with the YL and the WL, there must be concerted efforts at ensuring that we broaden our solidarity to include everyone who need our help. Our foreign policy must reflect the kind of world we seek to build, one that resolves its conflicts through dialogue and promotes democracy and equality.

- The ANC must continue to support the agrarian reform in Zimbabwe that benefits the masses of peasants in Zimbabwe, however must condemn violation of human rights whenever there is evidence in that regards, and assert the simple principle that no revolutionary movement can thrive on the basis of suppressing the very people it ironically purports to represent in a liberation struggle.
- The ANC must continue to support the struggle by the people of Burma to attain freedom and democracy and make call on the military junta to relinquish power to a civilian rule urgently. Our government must make follow-up on this issue and ensure it is dealt with by the Human Rights Council.
- The ANC must continue to support the struggle by the people of Swaziland under the banners of PUDEMO and SWAYOCO and must call for a multiparty democracy as lasting solution to the political problems facing that country. There must be a constitution drafted by all the major political role players in addition to all the people of Swaziland.

- The ANC must support the handing over of political power to the people of Western Sahara and make call on Morocco to relinquish their colonial control of that country unconditionally.
- The ANC must make call for stringent actions to be taken against the Sudanese government over its support of the genocide perpetrated in that country, and generally on countries that grossly violates human rights.
- The ANC must continue to support a two state solution where a Palestinian state coexists peacefully with the Israeli state. The ANC must condemn human rights abuses caused by state sponsored terrorism by Israel to Palestinian civilians. We must equally condemn religious fundamentalists who use suicide bombers to terrorize Israeli civilians.

### **6.3) Building a network of international solidarity with the disciplined forces of the left**

There has been a strong emergence of social progressive movements, operating under banners such as the World Social Forum. The ANC must lead in concert with other progressive political movements to ensure that this upsurge is to the benefit of the cause of a progressive international struggle.

The ANC need to affirm and support the Leagues' role in international organizations, such as the Pan African Youth Movement, Pan African Women Movement, the International Union of Socialist Youth (IUSY) and a host of other such movements. The ANC itself must explain its role with regards to progressive movements in the SADC region, continentally, South to South, and North to South solidarity.

## **7) Transformation of the Media**

With regards to transformation of the Media, there must be an agenda to ensure that the ownership of the media is diversified to allow democratic expression of our development. Young cadres must be encouraged and supported to take up careers in the media, because in the battle of ideas, by definition the media is a highly contested terrain. There must be concerted efforts to ensure that the media is not used to further sectarian ends within the ANC, as this does not only put the role of the media in jeopardy but also put the name of the ANC into disrepute as many analysts and our people in general can see when the media is being abused for such ends. The media must be transformed in order to further our revolutionary programme, and made to allow the central role of articulating the battle of ideas not only from the conservative and liberal perspectives, but also from our revolutionary perspective. The SABC must be allowed to act independently, to promote and protect our constitutional values of a free and democratic society where views are not channeled in terms of government power configuration.

## **8) Organisational review**

### **8.1) Reaffirming the role of the Youth League**

The ANCYL mobilizes the youth behind the vision of the ANC, and seeks to graduate its members into the ANC. It is up to the ANC to ensure that these members of the YL become seasoned cadres of the movement. Thus it is imperative that the ANC provides political education to the youth that are members of the League. The ANCYL must be recognized by ANC deployed cadres

as an organization that must provide foresight on issues of youth development and the ANC itself must further this order of things as it deals with our transformation programme.

## **8.2) Reaffirming the ANC and the Alliance**

The ANC must continue to place itself at the centre of all transformation programme in society and in the economy. Together with the SACP and COSATU, the ANC must have comprehensive alliance programme on transformation. Structures of the organisation must be capacitated to deal with developmental challenges. This also includes investing in youth to take up various important organizational tasks to sustain the organisation beyond the generation that fought against apartheid.

There must be concerted efforts to ensure that branches exist to spearhead change in their neighbourhood, working in conjunction with councilors and through ward committees, to internalize all the concerns that communities have. The role of the ANC in society cannot be mediated through other social movements as though the ANC were still banned, such as SANCO. The ANC must live to its character as a mass based organization that is in touch with the masses of the people. Nonetheless, SANCO can choose to independently determine its own future, including its role as a civic organization, but that it cannot exist as a proxy of the ANC in our communities.

The ANC must be at the centre of government programmes both with regards to policy programmes as well as deployment in key strategic areas. Likewise, the Strategy and Tactics must elaborate the role of the alliance partners so that we debunk the myth that the SACP and COSATU only exist as electioneering machinery of the ANC. Surely the Alliance must be based on the strategies and tactics employed to reach the common objectives of the NDR, with clarity on the role of each partner to the alliance.

The ANC must therefore actively deploy suitable cadres in strategic posts in government and continuously ensure that government programmes are in line with ANC policy as adopted by National Conference and further enhanced by the NEC and NWC.

## **8.3) The ANC, State and Business**

The ANCYL views the State as an organ and an opportunity to make real our historic goals as enshrined in the Freedom Charter and other progressive stances the movement has adopted over the years. The ANC exist as a movement that must lead in the transformation of the State, to enable the State to become a vehicle for comprehensive social and economic transformation.

The ANCYL views issues of deployment of capable cadres in various outposts of power as vital for the successful implementation of our revolutionary programme. Of particular concern is the need to continue to have the President of the ANC as President of our country, to avoid creating two power outposts that may be used, consciously or unconsciously, to further conflicting interests with neither the two persons charged with the two presidential posts agreeing to apply the prerogatives of the other in the interpretation of ANC policies as programmes are formulated and implemented. The ANCYL calls for the rejection of this two centers of power scenario as untenable and a disaster for our transformation agenda as our principled position irrespective of who is elected President of the ANC. In fact, it is our contention that when delegates to National Conference elect the

President of the ANC, they also have in mind the fact that he or she would be the next President of our country and since 1994 there has never been confusion about this principle.

The ANC must be central in deploying cadres at certain centers of power, and this may not be interpreted as "macro-management", because the ANC exist exactly to ensure that the State implements certain programmes and this cannot be done without taking hold of certain coordinating roles as offered through certain posts in government, parastatals, business, academia, media and other places of spheres of influence. The ANC must also through these employees workout programmes for transformation in the broad scope of things without delving into details as indeed in that scenario it would then be effectively macro-managing other institutions and government. But the ANC cannot leave the process of change to chance or the sole prerogative of supposedly progressive individuals.

## 9) Conclusion

The Integrated Youth Development Strategy has informed the written submissions of the ANCYL into the ANC Policy Documents, as the IYDS itself summarises much of what needs to be done with regards to youth development specifically. It would be important that the IYDS as adopted by the National Youth Policy Review Convention in June 2006 be read in conjunction with these proposals, in as much as they are to be read in conjunction with the ANC Policy Documents also.

END