



**Numsa Special National Congress
December 17 to 20, 2013
Secretariat Report**

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Introduction

1 The passing away of Madiba

This Numsa Special National Congress joins the people of South Africa and the world in mourning the passing on of our freedom fighter, political prisoner, people's hero, servant and leader, and founding father of our post 1994 democratic dispensation, President Nelson Rolihlahla Mandela.

Metalworkers across the length and breadth of our country mourn the sad passing of man who is arguably the greatest world inspirational leader of the 20th Century. We lower our red banners not as a sign of respect to death's vengeance, but as a tribute to President Mandela who was a symbol of our people's resilience and struggle for a free, democratic and prosperous South Africa.

We shed our tears in grief with the rest of the working class and masses of our country for losing this great son of Africa. His exemplary revolutionary political life and contribution to our struggle for liberation, freedom, democracy and people's power will be celebrated by generations to come.

President Mandela will forever be admired and adored by the militant and fighting Metalworkers of our country. We shall always remember the famous speech he delivered when he was inaugurated as President of a democratic South Africa, 19 years ago. His words ring very loudly in our ears today:

Never, never and never again shall it be that this beautiful land will again experience the oppression of one by another and suffer the indignity of being the skunk of the world.

President Mandela's life touched South Africans, young and old, black and white, because his life shone through our shared aspirations to full human equality enshrined in the Freedom Charter.

We salute his generation for choosing to serve our people even if the price they had to pay for doing so was their lives. He was a living example of selflessness and voluntarism. He was the Volunteer-in-Chief of the Defiance Campaign, which resuscitated mass mobilization and intensified the ANC's struggle against the apartheid regime. His sincerity, courage and willingness to sacrifice his life for his beliefs led to his participation in the formation of Umkhoto We Sizwe.

His ability to endure humiliation, indomitable capacity to make personal sacrifices and his patience and power to persevere saw him suffer 27 years of imprisonment. His non racist love for humanity as an African freedom fighter and revolutionary allowed him to embrace his jailers and to advance reconciliation, against all odds.

The passing on of President Mandela marks the end of a political era in our journey towards full freedom. If we are to truthfully and fully honour Mandela and his Comrades, his passing on must herald the birth of our renewed commitment to intensify the struggle for full economic sovereignty, for complete economic freedom of the working class and the rural poor. His passing on must spur us to fight even harder for the attainment of all the ideals he stood for: liberty, freedom, dignity, democracy and full social and economic equality of all human beings. Not to do so, will be to betray him and his Comrades.

This Special National Congress must call into sharp memory the words Madiba offered to the Cosatu Special National Congress in 1993, when he said:

You must be vigilant! How many times has a labour movement supported a liberation movement, only to find itself betrayed on the day of liberation? There are many examples of this in Africa. If the ANC does not deliver the goods you must do to it what you did to the apartheid regime.

2 This Secretariat Report

2.1 Preface

This Secretariat Report to the Numsa Special National Congress (SNC) was extremely difficult to produce given the poisonous environment in the National Liberation Movement.

We have used Marxist Leninist tools of analysis to define, characterize and give concrete expression to the conditions of the South African Working Class post the 1994 democratic breakthrough. As a result we, as Numsa, have earned ourselves the title of the “bogey man”, workerists, demagogues, populists, anti-majoritarian, etc. from our detractors who claim to be communists. They have become so intolerant of our scientific analyses that they fail to engage with the facts so glaringly demonstrated by the South African crisis of unemployment, poverty, inequality, corruption, crass materialism (in a sea of poverty), mediocrity and self-enrichment.

We remember the well-known adage of that solid African revolutionary, Amilcar Cabral:

Hide nothing from the masses of our people. Tell no lies. Expose lies whenever they are told. Mask no difficulties, mistakes, failures. Claim no easy victories.

Yet, despite this revolutionary advice, those who insult us just close their eyes and refuse to admit that the land and the mineral resources of South Africa remain in the hands of white monopoly capital and foreign capital. We may well have achieved political power in 1994 but 20 years later economic power remains with the Minerals, Energy and Finance Complex. This perpetuates the colonial character of the South African economy as historically defined by the SACP’s thesis of Colonialism of a Special Type (CST).

We have seen that promises of a better life every five years have not yielded a qualitative shift in the conditions of the working class. Twenty years later, capital remains the main beneficiary of our National Democratic Revolution. As Amilcar Cabral remarked:

Always bear in mind that the people are not fighting for ideas, for the things in anyone's head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children.

2.2 The nature of the report

In the Tripartite Alliance progressive and people’s camp, the year 2012 will go down in history as a crucial year of critical national conferences and congresses in South Africa. A lot has happened since the 9th Numsa Congress. As National Office Bearers of Numsa, we have experienced a tumultuous 17 months. In this report we account to you, the delegates to the Special National Congress, and to the members of Numsa, for what we have experienced and what we have done during that period and why we have proposed to hold this Special National Congress.

We do not intend to repeat what has been written in the 6 Congress Discussion documents. Although we will at times have to cover some similar ground so that we don’t leave gaps in our report, we will not repeat the comprehensive political and socio-economic analysis which you will find in those documents.

2.3 How this report is organised

We start the report by describing the process in Numsa leading to this Special National Congress.

We then remind delegates where we got to in our 9th National Congress in June 2012, presenting a very brief outline of the political and socio-economic context which we heard, understood and agreed at that congress. In our view, there have been no changes since that time which cause us to change our fundamental analysis, so we don’t feel the need to repeat it in detail.

The second main section of the report is our account to the delegates and the membership at large of the period since the 9th Congress. We take you through the key political events since June 2012 in the order in which they took place, so that comrades can understand how our political, strategic and tactical thinking has developed as these events of the class struggle have unfolded.

We then update you on key developments in the global, African and South African economic situation, followed by key organisational issues.

The final section gives a background and commentary to the Resolutions which this Congress will debate and on which it will pronounce.

Preparations for Numsa Special National Congress

3 The decision to call the Congress

We have outlined, in the political and socio-economic sections of this report, the circumstances which led to the Numsa Central Committee seeing the need to call this Special National Congress. In the view of the Numsa National Office Bearers and the Central Committee, the situation in the Alliance and in Cosatu had reached a point at which we had to consult our members. The decisions of our 9th Congress were no longer enough to guide us. The situation had changed to a point where we needed a new mandate from the membership.

The Framework document, adopted by the Central Committee, noted:

The 11 August 2013 Special Central Committee (CC) held on 11 August 2013 endorsed the proposal from the National Office Bearers (NOBs) for a NUMSA Special National Congress that will examine “the material conditions confronting the labour movement and the Alliance”. If the issues that the Special Numsa CC identified are fleshed out, the following themes should constitute the agenda of the Special National Congress:

- 1. The challenges confronting the labour movement and the Alliance*
- 2. Building a unified COSATU and labour movement*
- 3. NUMSA’s approach to 2014 elections*
- 4. Positioning NUMSA as a shield and spear of struggling workers*
- 5. Update on Numsa’s Campaign for Sustainable Industrialisation as an Engine of Growth (Section 77 campaign)*
- 6. Adoption of a draft NUMSA Service Charter.*

The Numsa Central Committee of August 29, 2013 commissioned a discussion paper on each of the six themes. The purpose of these documents was to stimulate discussion throughout the union, from the workplaces through the local and regional structures, to the national level. Our tradition in Numsa, since its launch in 1997, has been to encourage debate, discussion and democratic decision making. We don’t do this simply because we like discussion and debate (although we do). It is because we know that there is no other way to build a revolutionary, working class movement.

The Numsa leadership wanted to understand the views of its members because we knew that we were in the process of making crucial decisions in the life of the union. Only a stupid leadership would want the union to make such decisions without knowing that they really belong to the membership.

4 The discussion process leading up to the Congress

The discussion process has been vibrant and intensive. Our democratic discussion process is also a strong tradition of Numsa, dating back to its Founding Congress in 1987. Inside Numsa we know this process well. We think that it is important that those who read this from outside the union should know it too, so we are recording it in detail here:

October 12

In all 49 locals, throughout Numsa’s 9 Regions, local meetings took place. Core leadership and staff prepared for workplace general meetings and local meetings during the next week.

Week of Oct 14

A special Numsa News supplement was circulated to membership. It gave a brief, straightforward introduction to each of the 6 topics. During the week, workplace meetings were encouraged to discuss the six topics.

October 19

Again, in all 49 Locals, policy workshops of shop stewards or general meetings of members took place. Locals made their own decisions about which form was more suitable for the discussion. The meetings were able to see a DVD which introduced the Congress discussion topics. This had been produced nationally and circulated to all the Locals. The meetings then discussed the topics.

October 22

Each local submitted a report on its discussion to its Region. At the same time, the six national discussion papers were distributed to the Regions. The Discussion documents were produced in two forms, a full document and a summary, in order to reach as many shop stewards and members as possible.

October 25 to 26

Each of the 9 Numsa Regions conducted a two day regional policy workshop of shop steward representatives from every Local. These meetings discussed the positions from the Locals and the content of the documents before agreeing on provisional answers to the questions raised in the discussion documents.

October 27

The 9 Regions finished the week-end by conducting a one day Regional Congress. The task of the Regional Congress was to receive the results of the workshop and to adopt formal positions in response to the questions. At this point the decisions were provisional, pending completion of the discussion process nationally.

Week of November 4

The regional positions were consolidated nationally, identifying points of convergence and points of divergence amongst the Regions.

November 12 to 15

A national policy workshop of shop stewards from all 9 Regions discussed the positions from the Regions. Areas of convergence were noted and areas of divergence were debated. The result of the meeting was a series of composite resolutions, some of which contained differing views.

November 16 to 17

The Numsa Central Committee was convened. It discussed the resolutions from the national policy workshop results and agreed the composite resolutions to go back to the Regions for final discussion.

November 19

The draft composite resolutions from the Central Committee were circulated to the Regions

November 23:

9 Regional Congresses finalised their positions

At all stages, we have encouraged our members to play a full part in these crucial debates. That is the only way forward if we are to continue to be united in our struggle for a socialist South Africa.

Analysis and Positions from Numsa 9th Congress

5 The global crisis of capitalism

In our report to the Numsa 9th Congress our analysis of the global crisis of capitalism concluded that decades of neo-liberal restructuring had resulted in:

- Rising dominance of money capital
- Environmental pollution and global warming
- Rising food, oil and energy prices,
- Global mass unemployment
- Shift in industrial dominance from West to East
- Mass poverty and hunger in Africa

We noted the rise of international resistance in the Arab Spring and the protests in Europe.

We heard that under capitalism:

- 22,000 children die each day due to poverty
- Nearly a billion people entered the 21st century unable to read
- 1.1 billion people in developing countries have inadequate access to water
- 1 billion people receive 76% of the wealth of the world which we create, while 5.4 billion people share the other 24%
- Almost half the world - over three billion people - live on less than \$2.50 (R19.60) a day; that's R588 per month
- At least 80% of humanity lives on less than \$10 a day.
- The poorest 40 percent of the world's population accounts for 5 percent of global income. The richest 20 percent accounts for three-quarters of world income.

6 The South African economy within the global crisis

The Congress heard about the state of the South African economy:

- Real GDP down
- 1 million jobs lost
- Suffering from slowing demand from advanced countries
- Inflation higher because of huge increases in food, fuel and electricity prices
- The rand has been very unstable
- Unemployment up from 21.8% in 2008 to 25% in the first quarter of 2012
- Growth will be far below the New Growth Path (EDD) 7% target per annum; the IMF has however projected that growth will be 2.5% in 2012

It made a clear call for the scrapping of the current macro-economic framework

- Lower interest rates
- Drop inflation targeting
- Intervene to deal with the over-valued currency
- Bring back capital controls
- Increase tariffs to protect industries

- Set up a State Bank to give credit to manufacturers and cooperatives
- Introduce price controls and subsidies on basic needs

7 The conditions of the working class in South Africa today

We reminded ourselves that in 1969, the ANC at Morogoro said the following, about the liberation struggle in South Africa:

“In our country - more than in any other part of the oppressed world - it is inconceivable for liberation to have meaning without a return of the wealth of the land to the people as a whole. It is therefore a fundamental feature of our strategy that victory must embrace more than formal political democracy. To allow the existing economic forces to retain their interests intact is to feed the root of racial supremacy and does not represent even the shadow of liberation.”

We remembered this in the context of the real conditions of the working class in South Africa at the time of the congress:

- 400 000 young people per year do not progress past matric
- 72% of the unemployed are young people; most have not completed secondary education
- 68% of the unemployed have been unemployed for more than a year.
- 60% of the unemployed have either never worked in their lives or have not worked in the past 5 years.
- 44% of workers in South Africa live on less than R10 a day.
- Most of the unemployed rely on support from the employed.....who survive on less than R10 a day.
- Almost 25% of South African households have inadequate access to food; this figure was 20% in 2009.
- Almost 20% of people who head households save money by walking to work.

8 Colonialism of a special type

We noted that the picture of “Colonialism of a Special Type” is quite stubborn to this day:

- In 2008, 62% of all promotions and recruitments to top management positions came from the white population, which is 12% of the South African population.
- Whites make up 75% of all top management positions in the economy and they continue to promote each other.
- 70% of South African exports are from petrochemicals (SASOL), Basic Iron and Steel (ArcelorMittal) and the mines.
- Only 10% of the 30% of land earmarked for land restitution has been transferred to black farmers; the target date for the 30% is 2014.
- Housing, access to basic services, education, health and so on are all racially determined, with black Africans condemned to the worst services.

9 The state of the National Democratic Revolution

We were quite clear:

The statistics of post 1994 South Africa clearly confirm the most obvious fact: the NDR is not on course and the Liberation Movement in general and the ANC in particular is in grave danger.

We predicted that without working class leadership the NDR will not be consistently and thoroughly democratic and it will fail to address the inherent and inter-connected contradictions of race, class and gender. And we observed that the first two decades of our democratic breakthrough has been a sweet honeymoon for the bosses and a living hell for the working class, notwithstanding the good social reforms and achievements in housing, water, electricity, sanitation, social grants and so on.

Evidence clearly shows that the capitalist class has been the greatest beneficiary of the 1994 democratic breakthrough.

10 The basis for change

We confirmed our understanding that without first destroying South Africa's inherited, thoroughly racist, capitalist system, it is impossible to eliminate national poverty, mass unemployment and the gross inequalities which make South Africa the most unequal place on Earth today. This is the basis of our support for the Freedom Charter in its entirety.

We think it is time for all revolutionary forces, led by the ANC, to make a clarion call for the implementation of the Freedom Charter, not as a political romantic feel good approach but as the basic revolutionary Programme of the ANC, articulated in its strategy and tactics documents since 1955.

We support the demand for nationalisation and socialisation of the commanding heights of the South Africa economy and society.

We noted that this is also the position of Cosatu.

We saw as key challenges:

- Break the dominance of the Minerals / Energy / Finance Complex and the white community it supports
- Reverse the process of de-industrialisation
- Struggle for a revolutionary, redistributive growth path, macro-economic framework and industrial strategy for transformation and decent work creation

We openly called for the overthrowing of the current macro and micro economic policies which privilege finance capital above employment and manufacturing to meet local needs, and of course then exports.

We took a firm view that now is the time the country must move beyond the reforms implemented since 1994, important as these may be, to placing the country on a revolutionary footing capable of translating the Freedom Charter into concrete deliverables on behalf of the people of South Africa.

11 Character and Political Traditions of Numsa

We emphasised Numsa's character and role as:

- Defender of members' shop floor rights and interests
- A revolutionary formation which is:
 - Unashamedly Marxist-Leninist
 - Proletarian internationalist
 - Democratic centralist
 - Proudly a red union

12 Political policy and strategy

We described our political policy:

- We have no political condition for membership; we welcome all metalworkers
- We align ourselves to the African National Congress and the revolutionary Alliance.
- We will persuade our membership to join the ANC and SACP to advance the objectives of the National Democratic Revolution.

12.1 ANC

We lamented the current state of the ANC:

- Failing to produce cadre with revolutionary consciousness
- A leadership which rejects our principled defence of a pro working class ANC
- Internal conflict and factionalism despite communist leadership
- Danger of co-optation of large sections of the leadership of the ANC and its family of revolutionary organizations

However, we said that Numsa will continue to salute the ANC for mobilising the broad masses of our people behind the goal of achieving the objectives of the National Democratic Revolution – the foundation of a united, non sexist, democratic and prosperous South Africa.

Should the ANC dump the Freedom Charter and all the policy elaborations of this document, this will leave the ANC without any basis for claiming either that they are a revolutionary formation or that they are working to advance the aims and objectives of a radical and revolutionary NDR in favour of all the people of South Africa.

Once the Freedom Charter and its basic tenets have been dumped, we as a revolutionary formation shall be left with no option but to ask a secondary question:

- Why must Cosatu call on workers to continue to vote for the ANC if it has taken a decision not to implement the Freedom Charter?
- Why should Black and African workers not simply directly vote for the DA?

Our honest view is that the movement of Oliver Tambo is in trouble.

12.2 South African Communist Party

We expressed support for the South African Communist Party (SACP) as a vanguard party of the working class and for its commitment to the principles of proletarian internationalism, the form of the vanguard party and the practice of democratic centralism. However we also noted that:

- Our relationship collapsed as we defended the Cosatu position for full-time SACP leadership
- The current leadership views us as part of the “new tendency” of tenderpreneurs; flirting with DA
- We are accused of trying to usurp the role of the SACP

Our Congress Resolution raised serious concerns about the party:

- Every time Numsa and Cosatu raise concerns about the state of our Party the issue becomes personalised by the leadership of the Party.
- Different views between Cosatu and the Party such as the fulltime position of SACP General Secretary (GS), civil society conference and e-tolling have led to tensions between the two organisations
- The Party no longer campaigns and is seen to be more supportive of government on issues which Cosatu opposes
- There appears to be a deteriorating relationship between Numsa and the SACP
- The Party is unable to occupy the centre stage in influencing progressive forces and leading working class struggles
- The SACP as the vanguard of the working class is silent on issues that confront the working class
- The SACP is failing to raise levels of political consciousness amongst workers and the community at large
- Holding key and strategic positions through the ANC tickets in government makes a huge compromise to the vanguard party in advancing a working class agenda

For Numsa, we said, the South African Communist Party is our own Vanguard of the South African Working Class and we must do more at workplace, local and regional level to swell the ranks of the SACP.

We were convinced that the SACP was the only organization that can champion such a revolutionary Socialist role and impose working class power in society.

For all this we called on all metalworkers to swell the ranks of the SACP to advance this revolutionary agenda that can only be led by our vanguard: the South African Communist Party.

12.3 Cosatu

We described Cosatu as “Our beacon of hope”. Our federation:

- Has consistently championed workers’ demands
- Has resolutely defended the ANC
- Has acted against labour brokers and e-tolls in pursuit of revolutionary goals

We encouraged all affiliates to be united behind the leadership of Cosatu.

We said then that Numsa is proud to be an affiliate of Cosatu. We shall constantly act in its interests and we shall continue to defend its resolute leadership that champions all Cosatu constitutional

decisions and campaigns. Numsa shall spare no effort in defending the unity of the organised working class through the affiliates of Cosatu.

We said COSATU must continue to take up fundamental issues such as the banning of labour brokers and e-tolling, and must in our view champion the struggle to change the current macro-economic framework in favour of the working class and the poor.

Political, Economic and Organisational Developments since the Numsa 9th Congress

13 Political Developments

13.1 From the Congress

We left the Congress determined to pursue our mandate to mobilise and to change the macro-economic strategy of the government, to secure the active support and leadership of the SACP for our struggle against neo-liberalism and for the interests of the working class and the poor and to win key battles in the ANC Congress, including for nationalisation.

13.2 Revisiting the Question of the Tripartite Alliance

After Mangaung and the adoption of the right wing neoliberal NDP, we must ask the following questions:

- What are the classes that constitute the Alliance?
- What are the formations of these classes?
- How do the classes and their organisations relate in the Alliance?
- What is the state of the Alliance post Mangaung?
- What is the revolutionary role of the organised revolutionary working class post Mangaung?

Cosatu is a trade union federation of organised workers in its affiliates. It is a classical working class organisation – composed entirely of workers.

The SACP, ideally, is supposed to be a formation of intellectuals, academics and revolutionary political activists from all walks of life, who are committed to the communist revolution – a violent overthrow and destruction of capitalism.

The origins of the ANC lie, slightly more than a 100 years ago, in mobilising Africans (with all their developed and embryonic classes) who were excluded from the white South African Republic – a British Colony then and now – which was born in 1910.

The ANC has consistently struggled for the incorporation of Africans into the Union of the Republic of South Africa.

13.3 Cosatu is a socialist trade union federation:

- It is fighting everyday oppression of workers at the shopfloor level
- Politically, it is championing socialism.

The SACP is supposed to be a revolutionary Marxist-Leninist party championing the revolutionary overthrow of capitalism and its replacement by socialism, eventually developing into a communist society.

The ANC is opposed to racial and colonial oppression of Black people in general and Africans in particular.

In a nutshell, the Freedom Charter is the fundamental programme that binds the three components of the Tripartite Alliance.

It is believed that once the Freedom Charter (FC) is fully implemented, the National Democratic Revolution will actually have been achieved.

For the ANC, fully implementing the FC would end colonial racism in South Africa.

For Cosatu, the full implementation of the FC would create conditions for the liberation of labour from racial oppression and facilitate the struggle for socialism.

For the SACP, winning the demands of the FC offers the best possible route to socialism in South Africa, for the working class.

Our post 1994 political experience, however, reveals the following:

- The ANC has no revolutionary nationalism:
- It does not seek to end the colonial domination and exploitation of South Africa
- It has pursued a programme of Black and African elite incorporation into the racist and colonial South African economy and society, post 1994, and a strategy of containment and control of the Black and African working class.
- The SACP does not have a revolutionary programme for the struggle for socialism in South Africa.
- The ANC and the SACP are now busy trying very hard to turn Cosatu into a labour desk and toy telephone.
- The net result is the consolidation and advance of imperialist and white monopoly capital power over South Africa, post 1994, and a deepening of poverty, unemployment and inequalities.

13.4 SACP Congress

The first key event after Numsa's 9th Congress was the Congress of the South Africa Communist Party. We have noted in Discussion Document 1 on The Alliance that the Congress adopted 'The South Africa Road to Socialism' which, amongst many other things:

- Fails to raise the property question and so fails to deal with how to take ownership of the means of production from white monopoly and imperialist capital; talks of undefined 'socialisation' instead of nationalisation
- Separates the question of state power from ownership of the means of production and sees that our task is to achieve working class hegemony over the current state apparatus rather than struggling for alternative forms of working class power.

Unfortunately, the leadership of the SACP continued to attack Numsa. The General Secretary, in its Congress, committed the SACP to defeat us within the ranks of COSATU and the progressive trade union movement because we are causing strain and dividing the labour movement.

13.5 Marikana massacre

We then faced the horror of witnessing the armed forces of the state ruled by our own ANC government slaughtering workers whose only crime was to demand a living wage. Numsa's August 2012 Central Committee noted that:

the state, as an organ of class rule, always protects the interests of the ruling class as a whole and those of the most dominant capital – in South Africa's case, this is the Minerals/Energy/Finance Complex.

We saw clearly that the dismantling of the Minerals/Energy/Finance Complex was literally a matter of life and death for the South African working class.

13.6 Service delivery protests

During this period, as noted by the Numsa Central Committee of August 2012, service delivery protests continued throughout the country. Both Marikana and the service delivery protests show that as a result of a lack of revolutionary leadership, the masses are leading themselves.

13.7 Cosatu 11th Congress

“The 11th National Congress adopted a Programme of Action, which among others included two central pillars:

The First Pillar: Abolish the Apartheid Wage Structure: Forward to a Living Wage!

The Second Pillar: Radical Socio-Economic Transformation in line with the demands of the Freedom Charter: The People Shall Share in the Country’s Wealth!”

The second pillar included nationalisation of monopoly industries and the Reserve Bank and full implementation of the Freedom Charter.

13.8 Farmworkers strike

In August 2012, farmworkers in the Western Cape went on strike. They had many demands, including banning of labour brokers, housing, maternity benefits and a minimum wage of R150 per day. The police acted on the side of the farm owners, arresting strikers. 3 people died. Eventually, at the beginning of March 2013, the Minister of Labour issued a Sectoral Determination with a minimum wage of R105 per day.

13.9 ANC 53rd Conference

The political and macro-economic positions of Numsa were comprehensively defeated at the ANC conference and a bourgeois leadership was elected. The adoption of the neo-liberal NDP and the manipulated rejection of nationalisation, after its clear adoption at the ANC Policy Conference, made 2 things very clear:

- The ANC is committed to a neo liberal strategy which is fundamentally opposed to our interests as the working class and the poor
- The leadership of the ANC does not allow democratic decision-making within the organisation

13.10 The SACP and the NDP

We were disappointed, but not necessarily surprised, when the leadership of the SACP immediately announced its uncritical support for the NDP. Our belief in the character of the SACP as the vanguard party of the working class was further shaken when it gave its support to a plan which is a frontal attack on the interests of the working class and the poor.

13.11 Relations between SACP and Numsa

The relationship between NUMSA and the SACP has basically degenerated to the lowest levels in our history as a union. In our 01 September 2012 Central Committee statement, in the aftermath of the SACP 13th Congress, we reflected very frankly about the consistent negative political posture of the SACP against NUMSA as an organization and in particular its leadership. We stated our extreme annoyance by certain opportunistic stances taken by the leadership of the SACP in particular its General Secretary Comrade Blade Nzimande.

We went on to explain that Comrade Nzimande came to NUMSA’s 9th Congress and called on NUMSA not to raise the issue of deployment of SACP cadres in the state in public. The NUMSA Central Committee rejected these double standards from leaders of the SACP who speak in forked tongues and accuse NUMSA of being populists who like to grandstand in front of the media and

television; when the SACP launched its un-Marxist attack on NUMSA at its 13th Congress it was in full view of the media.

For almost the whole year the SACP leadership has been warning everybody about various tendencies that have engulfed COSATU unions, ranging from business unionists, demagogues, populists, anti-majoritarian liberal offensives, and so on. Meanwhile, no affiliates or names of individuals had been mentioned and everybody had to go in search of warm bodies behind these tendencies. We were all advised to look for these people who are very dangerous and whom the SACP has vowed to “defeat” because these people are the gravest danger and threat to the NDR.

13.12 Cosatu CEC February 2013

Both Numsa and the Cosatu General Secretary were viciously attacked at this CEC. We, as Numsa, were told that we are ‘opponentist’ and that we are not a “Congress Union”. The General Secretary of the NUM labelled us as “the enemy within” and accused us of “hijacking COSATU campaigns” and “working with AMCU in some companies” as well as poaching NUM members and organising mine and construction workers. Comrade Vavi was accused of a political ‘deviation’ in that he was “hegemonising positions and an ideological posture and perspectives that is not consistent with the tradition of the Federation – it is a deviation”.

13.13 Numsa attacked and vilified

As a union we have been subjected to a sustained campaign of vilification as we are attacked and labelled by leaders of the ANC, SACP and Cosatu affiliates. Here are just a few examples:

- In January 2013, the General Secretary of NEHAWU said that Numsa “....represents a rightwing version of workerism” and also “an ultra-left current of workerism - which carries delusions about a trade union movement leading a socialist revolution”. At the same time he accused us of “flirting with the DA leader”.
- In March 2013, the newly elected Deputy Secretary General of the ANC published an open letter in the Business Day in which she said: “Numsa has always driven a populist, short-term vision for our country, a constraint we have lived with in the strategic alliance we have forged with the Congress of South African Trade Unions, where Numsa is an important ally”. In the same month, the Deputy General Secretary of the SACP accused the NUMSA GS of “reductionist economism” and called him “pseudo-Marxist”, “pseudo-militant” and “underlying opportunist”
- In April, a NUM press statement accused the Numsa General Secretary of “cheap populism”.

13.14 Cosatu CEC August 2013

Cosatu NOBs convened a CEC in August 2013. We, as Numsa, attended and explained to the meeting that, in our view, it was not convened or conducted according to the Cosatu Constitution:

- The NOBs interpreted the Constitution incorrectly when they decided which affiliates were in good standing and which were not.
- The NOB’s report was not circulated to affiliates before the meeting so none of the delegates to the CEC were able to get a mandate before attending
- The notice of the meeting did not come from the General Secretary, as it should have

This unconstitutional meeting suspended the Cosatu General Secretary.

13.15 The Alliance

Since the last Numsa 9th National Congress, we would have never thought that we would see the following developments within our Alliance (we are however not surprised);

13.16 African National Congress:

- The ANC National Conference in Mangaung adopted the NDP and made clear that all other policies and strategies must be subordinated to it.
- Numsa's Central Committee has been clear that the NDP is a neo-liberal continuation of GEAR which threatens the working class.
- The ANC President, who is also the President of the Republic of South Africa, gave power to the bourgeoisie by confirming the adoption of the NDP "as a blue print" without subjecting it to the working class forces of the Alliance.

13.17 South Africa Communist Party:

- The SACP's South African Road to Socialism (SARS) sees the NDR as a struggle to transform "the underlying, systemic features of our society", and does not tackle the actual relations of production that define South African society.
- SARS fails to raise the property question and so fails to deal with how to take ownership of the means of production from white monopoly and imperialist capital; talks of undefined 'socialisation' instead of nationalisation
- SARS separates the question of state power from ownership of the means of production and sees that our task is to achieve working class hegemony over the current state apparatus rather than struggling for alternative forms of working class power.
- In the 2012 SACP National Congress the General Secretary was very clear that the SACP has a good relationship with all COSATU unions but there was one union that was presented as a problem: NUMSA, and in particular its leadership. After expressing displeasure at NUMSA's irritating "behaviour" of problematising the deployment of the SACP leadership in government, he said:

There is a small, but lingering, phenomenon in the trade union movement that of wanting to deliberately cause strain and divide the labour movement from the SACP and the ANC. We must intensify ideological work to expose and defeat this phenomenon within the ranks of COSATU and the progressive trade union movement.

- From the beginning of December, the SACP has launched an onslaught against Numsa. The party has clearly taken a decision to do whatever it can to try to divide Numsa in the build-up to our Special National Congress. Both the General Secretary and then his deputy started referring to the Numsa leadership as a clique which is enriching itself at the expense of the membership:

It is now glaringly obvious that he and his clique have another agenda. It is not an agenda of building working class unity. It is not agenda of respecting left-wing diversity. It is an agenda informed by unbridled personal ambition and personal wealth accumulation

The President will respond to these baseless allegations in his opening address. It is necessary only to point out that:

- Numsa Investment Company has an external board.
- Only the National Treasurer and the General Secretary sit there.
- None of the NOBs own any shares.
- NIC accounts are audited every year.

Our enemies say that we are leading Numsa in the direction of militant struggle because we are seeking personal wealth and power. But this report is full of solid objective reasons for our militancy. The wealthy in South Africa are getting wealthier at the expense of the working class and the poor. Is that not sufficient reason?

13.18 COSATU:

- Cosatu has degenerated into a Federation that is literally walking away from its campaigning and revolutionary character.
- The crisis in Cosatu must also be understood as reflecting the contradictions between:
 - those leaders in Cosatu who have been won over to the side of the defenders of a neo-liberalist South African capitalism under the guise of taking responsibility for the National Democratic Revolution
 - those who are determined to continue to pursue the struggle for socialism as the only holistic and viable solution to the national, gender and class questions in South Africa.
- Our own President is a casualty of the struggle to sustain the revolutionary character of Cosatu. He was unable to maintain a consistent class position when faced with the possibility that this might result in a rupture of the Alliance.

13.19 Gender based violence

The November 2013 Numsa Central Committee noted with a great sense of despair the alarming rate at which the young children and babies of this country are gruesomely and brutally killed. NUMSA also views as despicable the acts of the murderers of children who do not end with taking their lives but who go further to rape and mutilate them.

The Central Committee condemned all the killings of children that have recently taken place right across the country. These acts of violence meted out against children are a perpetuation of children and women abuse in our society.

13.20 Inkandla and corruption

Numsa and Cosatu have declared war on corruption and therefore we demand accountability for wrongdoing by public servants from the highest office. We vehemently oppose the “classification” of the Nkandla Report and denounce the many millions spent on the private residence of the President.

Increasingly, it is a small elite who are beneficiaries of our democratic breakthrough and not the masses of our people. This elite lines its pockets at the expense of the masses. It feeds at the trough of the Minerals Energy Finance complex and therefore depends on its continued profitability. In this way, this elite acts as an obstacle to the development of our economy which can only come through nationalisation of the Minerals Energy Finance complex and the use of its profits to build manufacturing industry.

13.21 New political organisations

There are two new political organisations that have emerged in the last few months – Economic Freedom Fighters (EFF) and Agang. This section of the report presents a class analysis of those organisations. Some of it must be regarded as provisional as there is limited information on such young organisations.

There are three linked approaches to a class analysis of political parties, from a Marxist point of view:

13.22 Class composition:

An analysis of class composition asks this question: which social class or classes do the members of this organisation come from?

This tells us about the mass base of the organisation. Marx sums up the importance of this factor in the Communist Manifesto:

Of all the classes that stand face to face with the bourgeoisie today, the proletariat alone is a real revolutionary class....The proletarian movement is the self-conscious independent movement of the immense majority, in the interests of the immense majority.

But of course, on its own it is inadequate. History is full of parties with a mass working class base acting against the interests of the working class. The social democratic parties of Europe are prime examples. We believe that the ANC has become another example.

13.23 Class politics:

This asks three fundamental questions:

1. Which class does the organisation support, through its political posture and actions?

Again, political positions and policies on their own are inadequate. There are political organisations whose basic policies are pro working class but whose actions consistently attack the interests of the working class.

Until 1995, for example, the British Labour Party had a clear policy of nationalisation:

To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and exchange, and the best obtainable system of popular administration and control of each industry or service.

Yet it did nothing, in all the years it was in government, to make it happen. Similarly, the ANC now has a fundamental policy of the Freedom Charter. Yet it fails to promote it and is even able to adopt a plan, the NDP, which violates that policy.

2. What is the track record of the organisation and its leadership on the key issues that are important to the working class?

Numsa as a trade union is 25 years old. For 25 years it has been a union with a solid history of socialist practice, supporting the interests of the working class both in theory and in practice. This is a key test of any political organisation. Whilst it is important what organisations say, it is even more important what they do. This applies also to their leaders.

3. What is the organisation's approach to democracy, and what is its practice?

Numsa's practice has been rooted in a profound understanding of the importance of socialist, working class democracy. We have spent the last 25 years building and rebuilding democratic structures for the purpose of ensuring that our organisation is democratically worker controlled. For us, democracy is a class question.

We do not operate on the basis of representative democracy, as in a bourgeois parliament. We operate on the basis of direct democracy – every shop steward who sits on any structure of the union is directly accountable to a structure of workers and can be recalled by that structure.

We have witnessed, in the history of the world, revolutionary movements degenerate into undemocratic command structures, with devastating consequences for the working class. Democracy is not a decoration, a 'nice to have'; democracy can be a matter of life and death for the working class.

13.24 Economic Freedom Fighters

The EFF is a very young organisation (launched in July 2013), which makes it more difficult to be certain about the class composition of its membership.

1. Class composition

The class composition seems to be predominantly working class youth, with some membership amongst workers themselves. There is a very high rate of unemployment amongst working class youth. Unemployed working class youth, as a social force, differ from the organised working class in their relation to the means of production. Workers confront the owners of capital and their servants on a daily basis at the point of production. This grounds the class interests of workers in a clear confrontation with capital.

Unemployed youth, and indeed the unemployed in general, do not face the same immediate contradiction. This is why they are a less reliable class force than workers. At times unemployed youth can be mobilised around a political platform that is populist rather than proletarian. Such mobilisation can be dangerous to the interests of workers. That is why as Numsa we follow the Communist Manifesto "*the proletariat alone is a real revolutionary class*". We can win the unemployed youth to our socialist struggle, but they need the leadership of the organised working class.

2. Class politics in theory

The political posture of the EFF, as it is written in the organisation's declaration and manifesto, is very similar to that of Numsa. It describes itself as drawing "inspiration from the broad Marxist-Leninist tradition and Fanonian schools of thought in their analyses of the state, imperialism, culture and class contradictions in every society". 'Fanonian' refers to Frantz Fanon, an anti-imperialist and Marxist whose work was influential in Black Consciousness. EFF also says it is inspired by the Cuban July 26 Movement which led the Cuban revolution.

EFF supports:

- Expropriation of South Africa's land without compensation for equal redistribution in use.
- Nationalisation of mines, banks, and other strategic sectors of the economy, without compensation.
- Building state and government capacity, which will lead to the abolishment of tenders.
- Free quality education, healthcare, houses, and sanitation.
- Massive protected industrial development to create millions of sustainable jobs, including the introduction of minimum wages in order to close the wage gap between the rich and the poor, close the apartheid wage gap and promote rapid career paths for Africans in the workplace.
- Massive development of the African economy and advocating for a move from reconciliation to justice in the entire continent.
- Open, accountable, corrupt-free government and society without fear of victimisation by state agencies.

There are two key gaps, from a working class perspective, in the positions of EFF:

- EFF supports nationalisation but has never indicated any support for that nationalisation to take place ***under workers' control***. In fact it has indicated recently that it might include, at least temporarily, the state taking majority shareholdings. We know that nationalisation by itself is not necessarily in the interests of the working class.
 - One example is Argentina in the 1940s: nationalisation of the railways as well as foreign-owned gas, electricity and communication companies was an example of populist nationalism (called Peronism) not socialism. Trade unions were tightly controlled and the regime was repressive
 - Another example is Britain, also in the 1940s: the nationalisation of the British steel industry was carried out in order to enable capitalist manufacturing to flourish, not to empower the working class.

So, whilst Numsa's position is a clear class position, the position of the EFF is not.

- The EFF is explicitly anti-capitalist, but it is not socialist. In the 22 page EFF manifesto, whilst there is a commitment to anti-capitalism and anti-imperialism, the word 'socialism' does not appear at all. So the organisation is committed to a struggle against capitalism, but it does not clarify what kind of society it is struggling for.

3. Track Record

During its brief existence it has supported working class communities and workers in the mining industry and taken clear positions against e-tolls and labour brokers. However, given how young the organisation is, it is also necessary to look at the actions of its leaders before its formation.

The most disturbing issue, for us as a working class organisation, is that the President and Commander and Chief of EFF has been a Director of companies which do work for government on the basis of tenders. This is relevant since it is EFF policy to rebuild the capacity of the state and thus do away with 'tenderpreneurs'. When asked about alleged payment for tenders in Limpopo, the EFF President said "There is no money that came to me or any of my entities." Court cases are still pending on whether Malema committed any illegal acts, but 2 things are clear:

- The EFF President accepts that he is a businessman when he talks of "my entities". He has at one time or another been a Director of the following companies:
 - SGL Engineering Projects,
 - 101 Junjus Trading,
 - Blue Nightingale Trading 61
 - Ever Roaring Investments.
 - Ngkape Mining Investments

So, whatever his class position now, the Commander and Chief has recently been a capitalist.

- The Report of the Public Protector makes a clear finding that, on the question of tenders between the Limpopo Department of Roads and Transport and On-Point Engineering:
 - The EFF President's family trust, the Ratanang Family Trust, owned 50% of On-Point Engineering
 - Ratanang "benefited improperly from the unlawful, fraudulent and corrupt conduct of On-Point and maladministration of the Department".

4. Democracy

The democratic practice of EFF has not yet been seriously tested, so In order to make an assessment, we can look at two aspects of the organisation:

- A. Its Constitution
- B. The practice of its leadership before the formation of the EFF

A. Constitution

The EFF Constitution says that “The organizational principle of the EFF is democratic centralism.” In principle this involves open and democratic debate until an organisation has decided an issue, followed by unity in action around the majority decision. Democratic centralism through history has taken different forms. The main variable has been the extent and nature of the democracy that is permitted and encouraged before the organisation makes its decisions.

A key issue is whether or not members are permitted to caucus around their positions during the discussion phase. In the Bolshevik party before 1921, these caucuses were allowed. They were banned in 1921, leading to a more centralised, commandist version of democratic centralism.

The EFF appears, from its constitution, to belong to the later version of democratic centralism. Here are some examples:

- The whole organization must observe unified discipline: The guiding principle is that at all times the individual is subordinate to the organization, the minority is subordinate to the majority, the lower level is subordinate to the higher level, and the entire EFF is subordinate to the CCT.
- Discipline for anyone who “absents her/himself from any meeting, gathering, conference, workshop or any other event, being so required to attend by the CCT or any branch or other component structure of the EFF”
- One of the duties of a member is: “To observe and resort to the Policies, Resolutions, Decisions of the Central Command Team and the Rules and Regulations of the EFF.”
- “The National People’s Assembly elects the CCT which develops the political line and policy to meet the challenges of leading the revolutionary struggle.”

Although there are clauses which state encouragement of internal debate, structurally it looks like a Command structure and it uses military language for its positions (Commander in Chief) and its structures (Central Command Team).

The central command team comprises the Commander in Chief, the GS, 18 national Commissars, 2 Office Bearers from each Provincial Command Team, plus a representative from each Provincial Women’s command and youth command. The presence of 20 national officials on this team reinforces the impression of a very centralised structure.

B. Leadership Practice

Julius Malema and Floyd Shivambu, key founding leaders of the EFF, were leaders of the ANC Youth League. Although no conclusive evidence is available, their leadership was plagued by allegations of undemocratic practices in relation to elections in the organisation, and silencing of opponents.

13.25 Agang SA

1. Class composition

There is no evidence of the nature of Agang’s membership.

2. Class politics in theory

Agang's policies do not recognise class. So they say "We need to build an economy that works for all South Africans". Aganag proposes a series of technical 'solutions' to what Numsa believes are class problems. So Agang identifies the problems as:

- High unemployment
- A collective bargaining system that is "In crisis"
- Shortage of skills
- Decaying infrastructure
- "High barriers to entry" into the economy for small business
- A failure of BEE to transform the economy

It proposes these solutions:

- Make government accountable: a single economic plan signed by all ministers; link ministers' salaries to job creation and growth
- Build infrastructure and create jobs
- Unleash small business
- Let business get to work, including "regulatory changes to unlock growth and job creation"
- Invest in South Africans: improve education and skills development
- Break down monopolies and cartels
- Protect vulnerable workers: keep labour brokers but ensure labour worker employees "enjoy substantially the same rights as directly employed workers"
- Remove obstacles to boosting employment: introduce a qualifying period for dismissal protection
- Restore effective collective bargaining: industry level minimums and plant level actuals; introduce "interest arbitration (rather than strikes or lock-outs"

This list includes a number of areas of direct attack on the working class (removing protection from dismissal and arbitrating interest disputes instead of the right to strike). It includes nothing that would challenge current ownership or control of the means of production.

3. Track Record

Agang has little track record. It is most vociferous about corruption and it opposes e-tolls. Its leader, Mamphela Ramphele, has been a Director of Anglo American and was for 3 years Chairperson of Goldfields. She presided over the division of the company into two separate companies:

- Sibanye Gold, which owns the two oldest and least productive South Africa mines (Beatrix and KDC)
- Goldfields Ltd, which owns the most productive South African mines and all the overseas mines.

Goldfields no longer wanted the old South African mines. These are the mines that gave the company the profit to invest in overseas mining. Now they are less profitable and they were making the company less attractive to investors. So Goldfields got rid of them. This is an example of how ruthless capitalism can be.

4. Democracy

The democratic practice of Agang has also not yet been seriously tested, so we look again at:

- A. Its Constitution
- B. The practice of its leadership before the formation of the EFF

A. Constitution

Agang has an interim constitution until the middle of 2014. Until there is a congress, the 'Founding leadership Cabinet' under Mamphela Ramphele will run the organisation.

B. Leadership Practice

There is no information. The leader of Agang has not been a leader of a political organisation before.

14 Economic Developments

14.1 Global economic review and outlook

- The global crisis is more severe and persistent than foreseen. But world economic growth is forecast to strengthen next year.
 - There are signs of recovery in the advanced economies, but this remains very weak
 - Growth in emerging markets remains fragile.
- The IMF projects global GDP will grow by 2.9 per cent in 2013, rising to 3.6 per cent in 2014.
 - These are extremely unrealistic given the continuing crisis.
 - The IMF is now well-known for revising its optimistic projections downwards.
- Who will pay for the recovery?
 - The big question is who will bear the costs of this recovery?
 - Advanced economies want to grow at the expense of developing countries; developing countries must import from advanced economies by running trade deficits
 - We have seen currency wars even between advanced economies: China continues to control its currency, Japan weakened the Yen, India and Brazil also controlling their currencies.
 - There is a raging battle between the working class and the bourgeoisie in advanced economies, against fiscal austerity measures. The periphery of the Euro-Zone is the centre of class struggles in Euro-Area (e.g. Greece).

14.2 What is important to us?

- Whilst global growth is important, our main focus is:
 - The patterns of distribution of wealth that are emerging post the crisis
 - The state of manufacturing
 - The power relations between industrial and money capital within countries
 - The emerging power relations between the North and the South
 - Most importantly, the emerging power relations between the working class and the bourgeoisie

14.3 Emerging and developing economies

- Emerging market and developing economies are projected to expand by about 5 % in 2014, which is lower than previous years, because China is expected to slowdown
- Unemployment will remain high in many emerging market economies, particularly those without vibrant manufacturing, weak state intervention and no state control of decisive sectors.
- Bourgeois economists claim that growth in advanced economies will help exports in emerging economies, but we know that without proper tariff policies, exchange rate control, etc. developing economies will just serve to be valves to deflate the crisis in advanced economies.

- Developing countries will run huge trade deficits and accumulate foreign debt, which will later be the basis of a new cyclical crisis

14.4 South Africa

- Projected growth is 2.1% in 2013 and 3% in 2014
- The current account deficit is projected to average 6.2% in the medium term – increasing debt, as we have noted will happen in neoliberal economies
- Inflation will remain at the top of the 3% to 6% range, and inflation targeting will keep interest rates elevated, drawing in hot money that will make the exchange rate volatile
- Moderate employment growth expected, but not enough to significantly reduce unemployment
- Manufacturing, especially excluding sectors linked to Minerals-Energy Complex, continues to decline as a percentage of GDP, there is no sign of reversal of de-industrialisation despite the good IPAP III we have endorsed.
- The patterns of investment remain skewed towards the financial and business services. There is no sign that the dominance of finance over industrial capital is being reversed.

Table 1: Macroeconomic indicators

<i>Calendar year (Percent change)</i>	<i>2010 Actual</i>	<i>2011 Actual</i>	<i>2012 Actual</i>	<i>2013 Estimate</i>	<i>2014 Forecast</i>	<i>2015 Forecast</i>
Real GDP growth	3.1	3.5	2.5	2.1	3.0	3.2
CPI inflation	4.3	5	5.7	5.9	5.6	5.4
Imports	9.6	9.7	6.3	7.3	5.2	6.4
Exports	4.5	5.9	0.1	6.1	5.0	6.7

Source: 2013 Medium Term Budget Policy Statement

DBSA says that we need GDP growth rate of 10% or more a year to meet the New Growth Path's target of 5-million jobs by 2020.

- The number of unemployed people has gone up:
 - In May 2008 there were 5.1 million unemployed people in South Africa.
 - In May 2013 there were 7 million unemployed people.
 - The number of unemployed people has gone up by nearly 2 million
- Employment increased by 274 229 jobs from July 2012 to July 2013. Growth in employment is far below the rate needed to give jobs to new entrants into the labour market.
- If growth rates continue to be lower than the highly ambitious and improbable targets in the NDP, unemployment, especially amongst the youth, will continue to grow.
- Current government macro-economic strategy is failing to solve the triple crisis
- There are massive inequalities, widespread structural unemployment and national poverty. These mainly affect Black and African people.
- There is massive concentration of wealth in South African banks, and increasing affluence of the white population.
- The South African population is racially polarised.
- There is deindustrialisation and loss of jobs in manufacturing
- These are all symptoms of Colonialism of a Special Type

- Real change will only come through nationalisation, under workers' control, of the commanding heights of the economy.

14.5 Sectoral performance

There has been little change across most of the sectors in which Numsa organises both in terms of performance and policy interventions since the 9th National Congress. Therefore, in order to avoid repetition this section will only focus on new developments within our sectors, namely the introduction of the APDP and the policy interventions introduced by government in relation to the export of scrap metal.

In the automotive sector, the Automotive Production Development Programme (APDP) formally replaced the Motor Industry Development Programme (MIDP) as the incentive programme for the automotive industry at the beginning of 2013. The APDP has a number of objectives. These include:

- The expansion of automotive vehicle production to 1.2 million vehicles per annum by 2020 with an associated deepening of the components industry
- The achievement of a better balance between domestic and export focus to supply growing domestic demand
- Growth of value-added, investment, employment and net government revenue in the auto industry and related industries.

The Department of Trade and Industry plans to undertake an initial review of the APDP during 2014, and it will be imperative that Numsa participates meaningfully in this process to ensure that the significant financial investment made by government in this industry results in sustainable growth of the industry including increased employment and the strengthening of the components sector.

Although scrap metal does not constitute a sector on its own, it is a significant input into downstream metal and engineering firms. The increased exportation of scrap metal, due to its incredible demand internationally, has contributed to its shortage in supply locally. This has had a devastating effect on the performance of the foundry industry in particular, resulting in the loss of thousands of jobs.

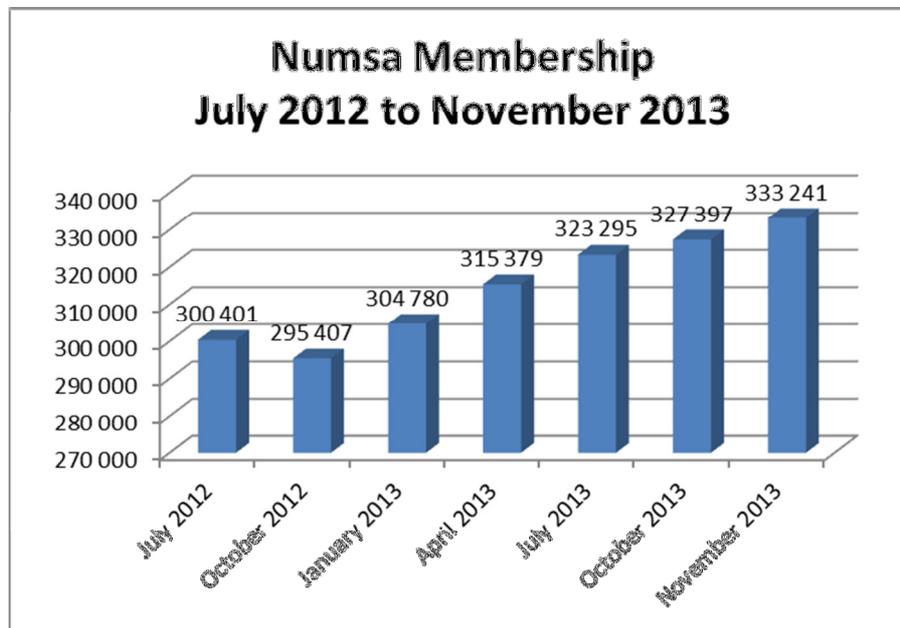
In the past year, the Economic Development Department (EDD) and the International Trade and Administration Commission of South Africa (ITAC) have released policy guidelines designed to regulate and curb the exportation of ferrous and non-ferrous waste and scrap metal in favour of beneficiation, broad based industrialisation, job creation and decent work.

NUMSA supports the policy directives from the Minister of Economic Development, and the proposed effective regulations from ITAC because they represent an attempt to ensure security of supply for industry users of scrap metal. To this end, we intervened on behalf of government in the application for Interim Relief initiated by the Metal Recycler's Association (MRA) wherein they sought to blackmail the Economic Development Department (EDD) and the International Trade and Administration Commission of South Africa (ITAC) into abandoning their decision to introduce interventions in the market for the supply of scrap metal. The application was dismissed in favour of government and Numsa.

15 Organisational Developments

15.1 Membership

Numsa membership has continued to grow. The 9th Congress called for a target of 400,000 members by the 10th Congress in 2016. We are ahead of schedule.



Month	Members
End July 2012	300 401
End Aug 2012	299 599
End Sept 2012	301 545
End Oct 2012	295 407
End Nov 2012	299 301
End Dec 2012	303 588
End Jan2013	304 780
End Feb 2013	311 927
End March 2013	318 171
End April 2013	315 379
End May 2013	318 727
End June 2013	320 186
End July 2013	323 295
End August 2013	325 423
End Sept 2013	329 692
End Oct 2013	327 397
End Nov 2013	333 241

The Key Issues for the Special National Congress

In this section of the report we explain the background to each of the Resolutions, summarise what it says and outline the tasks for the Congress.

16 Section 77 Campaign

16.1 Our future is in our hands

We start with the most important issue facing this Congress – the action we are proposing to take as Numsa, as Cosatu and as the broader working class to improve the conditions of the working class and the poor.

We re-affirmed in the 9th Congress that our future is in our hands and that the only thing we can rely on is our own actions. So it is a crucial task of this Congress to debate and agree our strategy to achieve our goal of defeating the neo-liberal National Democratic Plan and fundamentally changing the current socio-economic strategy of the government.

16.2 Cosatu has failed to provide leadership

We have to face the fact that our Federation, Cosatu, has failed to provide the militant leadership that the working class expects and needs. It has turned inwards, degenerating into factional battles that have resulted in an endless facilitation process which has produced no result, and the suspension of the General Secretary.

16.3 Numsa's campaign

Meanwhile, the reactionary policies of the ANC government continue to attack the working class. Our response cannot wait. 2014 must see the mother of all battles as we wage war on the NDP and its children – the Employment Tax Incentive Bill, e-tolls and labour brokers. At this Special National Congress, we must flesh out our programme of action and discuss how to broaden it to the working class and the poor as a whole.

- Numsa's Section 77 Committee suggested that we must adopt a phased approach of rolling mass action that would take us from now to our next National Congress in 2016.
 - **Phase 1:** Beneficiation of all strategic minerals, a ban on the export of scrap metals and rebuilding of foundries, import parity pricing and an export tax on all strategic minerals.
 - **Phase 2:** An increase in import tariffs on certain goods to the maximum allowed by the World Trade Organization (WTO).
 - **Phase 3:** Nationalisation of the Reserve Bank, exchange controls and an end to inflation targeting
 - **Phase 4:** De-commercialisation of state owned enterprises and the re-nationalisation of SASOL and ArcelorMittal South Africa
 - **Phase 5:** Labour market issues and low wage employment including the minimum wage
 - **Phase 6:** Nationalisation of the mines

As happens in struggle, things do not move in a straight line. As we were discussing filing a notice for Phase 1, we were hit with the Employment Tax Incentive Bill. This was a direct attack. It bypassed the Nedlac structures in which we have been defending ourselves against the Youth Wage Subsidy and brought straight to parliament a bill that is even worse than the Youth Wage Subsidy.

As Numsa, we have lodged a Section 77 application on this Bill. We are also considering court action for failure to bring the proposal first to Nedlac.

There is no future for the working class and the poor in a South African economy that continues to be dominated by the capitalists of the Minerals Energy complex. We have waited for 20 years, and in that time we have got poorer and they have got richer. Inequality has increased instead of decreasing. In 2014 we must go into the streets and show those who wish to make profit while we continue to suffer that we will accept it no longer. We demand full implementation of the Freedom Charter, and we demand it now.

16.4 The task for this Congress

We are asking the Commission which will discuss our action at this Congress to make our plans for this campaign more concrete and to suggest how to spread the campaign to the rest of Cosatu and the labour movement as a whole and to organisations of civil society more broadly. Our message must be very clear: no government of South Africa, whoever they are, can expect to continue to govern on the basis of growing poverty, inequality and unemployment. Just like the brave workers of Marikana and the valiant farmworkers of the Western Cape, who refused to continue to work without radical change to their apartheid wages, so the working class as a whole must stand up and say "Enough is enough".

17 The Alliance

17.1 The state of the Alliance

The Tripartite Alliance simply does not function as anything other than an electoral machine for the ANC. The ANC remains the political centre and the Alliance is simply a mechanism for mobilising for a vote for the ANC.

17.2 Abandonment of the Freedom Charter

We have always understood the Alliance to be based on a minimum programme which is the FREEDOM CHARTER. Yet the Freedom Charter has been abandoned and replaced by the neo-liberal National Development Plan.

17.3 Our strategy has not worked

Our strategy of swelling the ranks has not worked. We have passed resolutions on how the Alliance should work but they have been ignored by the other Alliance partners. This treatment of the organised working class as a junior partner has taken place elsewhere in post-colonial and post-revolutionary situations. Liberation and revolutionary movements have turned on labour movements that fought alongside them, suppressed them, marginalised them, split them, robbed them of their independence or denied them any meaningful role in politics and policy-making.

17.4 There is no democracy in the ANC

The ANC itself has ceased to operate in a democratic manner. In the most straightforward example of manipulation, the ANC Policy Conference of 2012 had a clear majority in favour of nationalisation of the commanding heights of the economy. By the end of the year, with no debate or semblance of democracy, the Mangaung Conference was presented with a position which rejected that nationalisation.

17.5 The SACP has disappeared into the state

The SACP has become embedded in the state and is simply failing to act as the vanguard of the working class, whilst continually, and viciously, attacking us for taking clear positions and campaigns in the interests of the working class.

We believe the time has come to consider seriously our alternatives. We see different forms of working class organisation around the world and we need to study them in order to understand more clearly our options.

17.6 The task for this Congress

In this dire situation for the working class, this Congress must guide Numsa. We ask that the commissions discuss how we, as Numsa, should move forward in this situation. We need clarity on our future relationship with the Alliance and a clear way forward to satisfy the need of the working class for a political organisation that unwaveringly represents its interests.

18 Cosatu

18.1 Unity in action

There is no priority more important than safeguarding the capacity of the working class to act in our own interests. At the same time, the unity of the working class is important, but it has to be unity in action. Unity in paralysis simply plays into the hands of the bourgeoisie.

18.2 Why is Cosatu is paralysed?

Currently Cosatu is paralysed by internal division. The federation has adopted a clearly revolutionary programme, but there is a lack of will amongst a significant proportion of its leadership to implement that programme. They are unwilling to take on the decisive struggles of the working class against the current policies of the ANC government. They are prepared to be a toy telephone, a labour desk of the ANC.

The crisis in Cosatu is a reflection of the class contradictions and class struggles that are playing themselves out in South Africa as a whole, between the South African Black and African proletariat and the forces of South African Colonial Capitalism and Imperialism. The two positions in Cosatu represent specific class interests and are proxies of the ongoing class struggles inside South Africa in general and in Cosatu itself.

These are the underlying factors:

- The failure of the liberation movement as a whole, to resolve the national, gender, and class questions post 1994, allowing the Black and African capitalists in the liberation movement to win the day, as local representatives and parasites of white, imperialist capital.
- The failure to address the property question in favour of the popular masses which threatens to overwhelm and destroy the liberation movement as a whole, and Cosatu in particular.
- The willingness of a section of the Cosatu leadership to subordinate the interests of the working class to the interests of a national liberation movement whose leadership has been captured by imperialist capital.

At play in post 1994 South Africa is the battle to the death between forces of capitalist reaction and forces of socialism, as the only solution to the crisis of humanity and development in South Africa and the world.

18.3 No compromise in working class struggle

We would prefer that a united Cosatu leads the working class into the mother of all battles against neo-liberal policies. However, there can be no compromise in that struggle. The ANC government's neo-liberal policies are a direct attack on working class interests. This is why, over the last months, we have refused to be derailed by the paralysis of Cosatu and insisted on moving ahead with our own Section 77 campaign.

18.4 The task for this Congress

Again, this Special National Congress must guide us. On the one hand, the unity of Cosatu is valuable to the working class. We built our federation through workers' militant struggle and sacrifice during the apartheid era. On the other hand, we cannot afford to be imprisoned in a Federation that is committed to delivering the organised working class into the arms of the bourgeoisie in the name of unity.

19 The 2014 elections

19.1 We need to assess

There is a national election taking place in 2014. Cosatu's 2015 plan says that we must look at the ANC 2009 Election Manifesto and compare it with what has actually happened. Cosatu has failed to do this. We realised that if we also fail to do it we cannot expect to be anything except voting fodder for the ANC. So, with the resources available, we conducted our own analysis.

19.2 What we looked at

We looked at 7 key components of the manifesto:

- Creation of decent work and sustainable livelihoods
- Education
- Health
- Crime and corruption
- Rural development, including land reform, and food production and security.
- Housing
- Water and sanitation

19.3 What we found

We found that in the majority of cases the commitments of the manifesto had not been kept. You will see the full report in Congress Book 3, the Discussion Documents. We will just give some examples here:

On Building the Manufacturing sector

- **The manifesto** promised that job losses will be minimized and the manufacturing sector strengthened
- **In practice**, the manufacturing sector has got smaller and lost nearly 300,000 jobs; Numsa's strategy of nationalizing the commanding heights in order to build manufacturing industry has been rejected

On Decent Work

- **The manifesto** promised that promoting more jobs and better quality jobs "would be the corner-stone of all our efforts"
- **In practice** the number of unemployed people has gone up, the economy is growing much too slowly to create enough jobs, wages remain very poor and many workers have no security or benefits.

On Education

- **The manifesto** promised to Improve the quality of schooling, particularly in mathematics, science, technology and language development
- **In practice**, public schools in townships and rural areas are still neglected and we are failing to provide quality education

On basic education infrastructure

- **The manifesto** promised that all schools and health facilities would have access to basic infrastructure such as water and electricity by 2014
- **In practice** a very large number of schools still lack basic infrastructure such as piped water, electricity and toilets

On health

- **The manifesto** promised to reduce inequalities in our health system and improve quality of care and public facilities
- **In practice** public hospitals remain congested and lack sufficient medicines, ambulances, nurses and doctors; sick people queue outside and service is poor.

On the National Health Insurance

- **The manifesto** promised to phase in the National Health Insurance over the next five years, which would have seen it completely implemented by 2014
- **In practice** there is a pilot scheme in 11 areas and the current plan is to phase it in over the next 14 years, which would see it completely implemented by 2027

On Land redistribution

- **The manifesto** promised to intensify the land reform programme so that more land is in the hands of the rural poor.
- **In practice** only 7% of actual land has been distributed and most of the redistributed farms are struggling financially and lack adequate support

We have seen the long list of failures of the current ANC government to implement the promises of the 2009 manifesto. However progressive a manifesto may be, we must ask ourselves how long we can continue to support an organisation on the basis of a manifesto which is just words on a page.

19.4 The problem of the National Development Plan

The ANC has made it clear that the National Development Plan will be a cornerstone of its 2014 manifesto. We have identified the National Development Plan as a fundamentally neo-liberal document since we first responded to the analysis document that preceded it. We have been absolutely clear, since the ANC adopted the Plan at Mangaung, that we regard it as a direct assault on the working class. These are a few of the reasons:

- It tries to divide the working class into 'insiders' and 'outsiders' and then blame the 'insiders' for preventing the 'outsiders' from getting jobs. So it blames us for unemployment.
- Its solution is to reduce our wages and working conditions:
 - Make it easier to hire and fire us
 - Make it harder to get reinstated
 - Give subsidies to new and young workers, thereby threatening the jobs of experienced, older ones
- It wants to protect the property rights of capital to create a stable environment
- It believes that the job of the state is to provide public infrastructure and services so that business can make profit. So it wants a state whose function is to help create the conditions for profitable business rather than a state that is involved in the production of goods and services itself.

19.5 Abandonment of the Freedom Charter

Whilst the NDP has become the guide for all government policy, the Freedom Charter has disappeared. We can find no trace of the commitment to “transfer the mineral wealth beneath the soil, the banks and monopoly industry to the ownership of the people as a whole”. As the number of unemployed increases, we see no sign of the commitment that “All other industry and trade shall be controlled to assist the wellbeing of the people”. As the land redistribution programme staggers along so slowly, the commitment to re-divide the land “amongst those who work it to banish famine and hunger” seems to have evaporated.

19.6 The rights of Numsa members

We are aware that we are a trade union, not a political party, and that our mission is to unite all metalworkers. Workers join Numsa because we defend their interests and their rights. We defend the interests and the rights of each member, because he or she is a worker, irrespective of his or her political opinions or affiliation. We will continue to do that. As we have always done, we will uphold the right of every member to belong to the political party of his or her choice or to belong to no political party at all. As far as elections are concerned, every member must be free to support the party of their choice.

19.7 The task for this Congress

In the past, Numsa and Cosatu have invested human, financial and organisational resources towards an ANC victory. We are asking the Congress to give us a clear direction. In the light of this analysis, should we continue to support the ANC with the resources of the union at the 2014 election? If not, what should we do and say during the 2014 election?

20 Numsa as shield and spear

20.1 Core and non-core

For too long, we have allowed employers to divide work in the workplace into imaginary categories of ‘core’ and ‘non-core’. We have always rejected the idea that maintaining the security of the workplace or cooking food is any less central to production than welding or tool-making. It is an artificial division. We know that its main purpose is to reduce the power of unionised workers in the workplace.

It has taken some workers out of unions altogether. It has created workplaces of many employers and many unions. We must counter this strategy by organising all the workers in a workplace, regardless of their job. If we accept the bosses’ pretence that the security workers in our workplace, who used to be our members, suddenly became part of another industry when their work was outsourced, then we are disarming ourselves in the face of the enemy.

As far as Numsa is concerned, every worker in every workplace in which we organise should be a Numsa member.

20.2 The rise of the value chain

Global production systems have changed and continue to change. Increasingly, primary producers and original equipment manufacturers dictate to their suppliers. They exert huge pressure, requiring increased quality at lower and lower cost. The same thing is happening in the retail industry, with supermarkets dictating to their suppliers.

The result of this process has been pressure on wages and working conditions in the supplier companies. Workers have been made to pay. The most obvious way to challenge this ruthlessness of the primary producers and OEMs is to organise workers along the value chain. If those workers

are all Numsa members we have an opportunity to fight back and protect and improve the wages and working conditions of the workers in the suppliers of the value chain.

And as a union, it is not possible to sit back and ignore these changes, even if we want to. The workers themselves see the reality, not the formal categories of industries. Workers on the mines, for example, see Numsa there because we organise the workers in the smelters. They see with their own eyes that the work which is being done in the smelters is part of the same value chain as the work being done underground. They don't need a union researcher from the Numsa Institute to tell them that. So they come to our offices and ask to join us. It is very hard to turn away workers who want to join our union to strengthen themselves in their workplace. If we do that, we have to ask ourselves – are we doing it to protect workers or to protect unions?

In the current situation in South Africa it is even harder to turn away those workers, because we know that when they leave our offices they will go to the offices of a non-Cosatu union, so we are also strengthening unions that are not part of our federation. And those unions are the very same unions which are also trying to recruit Numsa members in companies across the country.

In advanced economies, unions are starting to organise along value chains. IG Metall in Germany is an example. It clearly makes sense.

But there is an obstacle. Whilst capital has changed the way it organises itself, we, as the trade union movement, have remained the same. We live by our slogan 'One Union, One Industry', and we continue to define industries in the same way we did nearly 30 years ago, when Cosatu was formed. The result is that we weaken ourselves.

20.3 Numsa Scope

As NOBs we note the suggestions that Regions have made about the union organizing along value chain lines. While this issue will be discussed in the commission on making Numsa a Spear and Shield for struggling workers, as the national leadership we feel that there are important subsectors that are missing in the suggestions. These are:

- **The Information and Communication Technologies (ICT) subsector** including computer systems and software design; satellite communication; wired, cellular and other telecommunications; broadcasting; provision of radio and television signals; manufacture, repair and maintenance of electronic marine equipment; and manufacture, leasing, repairs and maintenance of office automation and other office machinery.
- **Freight haulers** that transport goods as inputs and outputs from the sectors described in this annexure.
- **Industrial chemicals:** manufacture and distribution of organic and inorganic chemicals for application in iron, steel, engineering and metallurgical industries; as well as for use in auto assembly, motor industries, electrical engineering, tyre & rubber, plastics and in subsectors outlined in this annexure.
- **Glass value chain:** extraction, smelting and manufacturing and distribution of metallic and non-metallic products used in glass and fiberglass production.
- **Alternative energy:** production of alternative energy such as renewables, vehicle fuel cells, biofuels and clean gas. This subsector includes the manufacture of equipment that is used in the construction of these sources of energy as well as the maintenance of plants and equipment used in energy generation.

20.4 The task for this Congress

This Congress must determine how we are to navigate our way through this difficult terrain. It must decide whether we should remain restricted within the confines of our current organising strategy, for the sake of not upsetting other unions, or whether we should extend the scope of our organisation in line with the realities of 21st century global capital.

21 Service Charter

We realized that even though we have a Numsa constitution and policies, there is no document that sets out clearly what a member can expect from Numsa and what Numsa expects from its members.

21.1 Why do we want a Numsa Service Charter?

- Numsa is a revolutionary union and as such plays a leading role in the defeat of capitalism and the exploitation that is associated with it. We are democratic centralist – we believe in robust, vigorous and democratic debate leading to a united decision and action.
- We are going into a period of intensified struggle both with the bosses and with the state that is supporting them.
- As we lead our members in these struggles, they constantly confront management, and management fights back, disciplining and harassing them.
- If we are going to expect our members to continue the militant fight which we have planned, we must make sure that we constantly improve our ability to protect and defend them.
- We believe our service to our members is good; but we know that it can improve
- We realized that even though we have a Numsa constitution and policies, there is no document that sets out clearly what a member can expect from Numsa and what Numsa expects from its members.

21.2 Resolution of the August 2012 Central Committee

The August 2012 Numsa Central Committee met just after the Marikana massacre. There was a very clear analysis at that meeting of the dangers of failing to be rooted in our membership and in the needs and requirements of our membership. The Central Committee identified these priorities:

- Be careful about preferring one section of members over another.
- Put members first and grow the organisation.
- In small establishments Numsa members must feel that Numsa is their shield and their spear.
- Go back to the shopfloor and take up bread and butter issues that affect workers.
- Prepare for an assault by the bosses and the state to reduce union power.
- Our unity is more important than ever before.

21.3 The task for this Congress

There is a long draft in Book 2 Draft Resolutions. We need to take that draft and make it more focused. It must answer two questions:

- What are our key commitments to our members, as the staff and structures of the union?
- What are the key commitments to the union that we expect from our members?

We are hoping that the final draft will be short enough that we can put it on the wall of every Numsa office. We are suggesting that the Congress refers its final draft to the NOBs for editing into a proposal for the next Central Committee.

22 Draft Resolution on the BBBEE Act

This resolution seeks to register Numsa's protest against the revised Codes of Good Practice for the Act. The key issue is the willingness of the Codes to allow multinationals to evade the ownership requirements of the Act. The resolution makes proposals for a variety of equity options for workers, including joint ventures, co-operatives and Employee Share Ownership Plans.

This resolution did not go through the same process as the other resolutions. It was brought straight to the National Policy Workshop. As a result it has not been through full local and regional discussion.

22.1 The task for this Congress

We propose that this Congress should refer the Resolution to the Central Committee with a mandate to open a well-prepared discussion in the union before reaching a conclusion.