



ONLINE VOICE OF THE AFRICAN NATIONAL CONGRESS

RECESSION

Weathering global recession



There are many pundits out there, who have blamed the African National Congress (ANC) for the latest effect the global financial crisis has had on South Africa. Now that our economy is officially in recession, we urge people not to despair. Effects will be there but we believe that our collective wisdom within the ANC, Government, business and labour, should spare us from the worst effects of this downturn.

We are an integrated economy and trends on the world stage reflect our economy. However, we have – for some time - been insulated by the sound policies and regulatory systems that have been put in place.

Our 2009 Elections Manifesto makes it very clear that the ANC knows that the ongoing turmoil in world markets has and will continue to impact on the lives of our people. The cost of living has increased tremendously and economic growth is slowing, impacting on jobs. We have intervened and together with labour, business and other sectors, we are putting in place measures to ensure that in the short, medium and long term South Africa's economic prospects continue to improve and that job losses are avoided and minimised.

The South African response to the global economic crisis comprises of the following elements.

Government is continuing with our R787 billion public infrastructure expansion programme. This programme is aimed at expanding and improving rail networks, public transport, port operations, dams, housing construction, information and communications technology and energy generation capacity. An important element of the public infrastructure expansion programme is the improvement of public health and education infrastructure. This will play an important part in creating additional job opportunities and improving the overall lives of South Africans.

Government will now have to increase borrowings to finance parts of the expansion programme, but this is not borrowing to bail out the institutions that were responsible for the crisis in the first place. Our increased indebtedness is as a result of our commitment to improving the overall productive capacity of our country and to contribute to the ANC's stated aim of creating a better life for all by constructing roads and railways and putting in place more and better functioning schools and hospitals.

Another element of our programme in this time of economic turmoil is to intensify our public sector employment programmes. Again, we are not doing this in a vacuum or just establishing public employment programmes without due regard to the needs of our people. Firstly, we are increasing public sector employment in areas where there is clear need to do so. This is in the health, education and law enforcement sectors

Secondly, we are implementing the second phase of the Expanded Public Works Programme (EPWP II) in areas such as home-based care and community health services, construction, maintenance and environmental protection projects

WEEK IN REVIEW

President Zuma's advisors named They are Ayanda Dlodlo (Parliamentary Counsellor), Bonisiwe Makhene (Legal Advisor), Lindiwe Zulu (International Relations Advisor), Charles Nqakula (Political Advisor) and Mandisi Mphahla (Economic Advisor).

Government Lekgotla meets | It is attended by President Jacob Zuma, Deputy Kgalema Motlanthe, Cabinet ministers and deputies, premiers and other senior Government officials.

SA goes into recession | South Africa goes into official recession in 17 years, prompting the Reserve Bank to cut its repo rate by 100 basis points to 7.5 percent.

Metro bus strike averted | After a five-week impasse, the Johannesburg Metro Bus strike is averted. This follows intervention by Gauteng Premier Nomvula Mokonyane..

A call to disband Western Cape executive committee | Reports of a call by SACP and ANCYL in the Western Cape for the disbandment of the provincial ANC PEC.

The first phase of the EPWP created many jobs, but the ANC is very aware that these jobs tended to be short-term or part-time jobs and we are aiming to create more long-term jobs during EPWP II by investing more than R4, 1 billion over the next five years.

We are also engaging with the private sector to see what mitigating actions can be taken to ensure that investments do not slow down too much and that job losses are kept to an absolute minimum. Alternative to layoffs will be explored, including longer holidays, extended training, short time and job-sharing.

The ANC Government will adapt industrial financing and incentive instruments to help deal with the challenges in the various sectors and we are encouraging our development finance institutions (DFIs) to possibly assist firms in distress due to the crisis.

Government has put in place one of the most comprehensive social assistance programmes in the world (currently reaching more than 13 million South Africans) and we will continue to ensure that we expand social expenditure in this difficult time. We are increasing the quantum of social grants and progressively reducing the age of eligibility for old age pensions to 60 years for men. The ANC is committed to progressively extend the age of access for the child support grant to 18. As the Manifesto states, such eligibility must be linked to a schooling requirement.

We will also make more and better use of the Social Relief of Distress Grant and other food security measures to specifically target those hardest hit by the rise in food prices.

This economic crisis has shown the weaknesses in the governance of globalisation and related financial systems and the ANC is committed to ensuring that we use this opportunity to further agitate for putting in place a more democratic system of global economic and financial governance

We have consistently argued for urgent and targeted interventions in the countries where the crisis originated. Whilst we believe that we must continue to strengthen domestic regulation and supervision of the financial system, we are also firm in our conviction that this must be accompanied by stronger action and surveillance of the global financial system.

In line with our Manifesto, the ANC will continue to strengthen partnerships with economic roleplayers on a domestic and global scale, especially with countries of the South as part of both responding to the crisis and developing and putting place measures to mitigate against a recurrence of such.

The ANC will continue to steer our country and our people on a highergrowth and development path and we have every confidence that we willweather this storm by working together as all the people of South Africa.

FOCUS ON GOVERNMENT

People-driven and attentive government

We are 15 years into democracy, having done much to improve the lives of our people. However we do acknowledge that more still needs to be done. The core principle guiding our approach, posture and focus of Government across all spheres is to work tirelessly towards the realisation of a developmental state.

This refers to a government that is people-driven and more attentive to the needs of poor and working class communities in urban and rural areas. The government will stay focused on a common national agenda of creating decent jobs; fighting poverty; combating crime and corruption; improving the delivery of health and education to all; and advancing rural development; agrarian reform and food security.

THIS WEEK IN HISTORY

29 May 1878: Xhosa Chief Sandile is killed after a war with colonial forces.

28 May 1881: Daniël Francois Malherbe, SA novelist, poet and dramatist, is born.

27 May 1963: South African Artist, Tommy Motswai, is born.

26 May 1948: Apartheid is 'officially' institutionalised when the Herenigde Nasionale Party wins the general elections.

25 May 1996: Ian Woodall and Cathy O'Dowd reach the summit of Mount Everest, becoming the first official South African team to conquer the mountain.



The hallmark of this government over the next term will be a greater focus on state accountability and transparency with regard to its citizens at all levels. This means strengthening mechanisms and frameworks for accountability of elected officials and public servants in national, provincial and local government. Innovative ways will be sought to increase public and community oversight over government. The role of structures such as NEDLAC and Ward Committees, at a local level, should be reviewed to strengthen their oversight.

The newly established Ministry in the Presidency responsible for Monitoring and Evaluation (ME) will finalise and implement the Government-wide ME system. The Ministry will have primary oversight responsibility over the entire public sector at all levels and in all sectors. Again, the increased focus on ME is about improving our systems of planning and implementation. The oversight responsibilities of members of national and provincial legislatures and municipal Councils must also be strengthened. This M&E mandate is principally a developmental one linked to ensuring the requisite skills for each post.

The ANC has adopted zero tolerance when it comes to corruption. We are committed to reform and tighten the regulatory regime and instruments dealing with anti-corruption and supply chain management system in national, provincial and local government.

Operation Clean Audit 2014 will be launched as an initiative to specifically achieve clean audit opinions for provincial and local government from the Auditor-General in this current term of administration. The efficient management of state financial resources and assets has become even more critical in the current global economic context. This programme will make the link between clean cities and clean audits as part of our overall faster service delivery and clean government campaign. Promoting responsible citizenship through the payment for services and a culture of individual and household saving will also receive dedicated attention.

Government will significantly strengthen its capacity to undertake long-term national development planning. This will assist national, provincial and local government and all state entities to better plan, prioritise and coordinate their service delivery programmes. For the first time since 1994, government will prepare a long-term National Development Plan.

The Provincial Growth and Development Strategies (PGDS) of provinces and the Integrated Development Plans (IDPs) of municipalities will be informed by and must also inform the priorities of the National Development Plan. This Plan will clearly spell out how the country will address the key priorities we have set for ourselves.

The National Planning Commission, the Department of Cooperative Governance and Traditional Affairs, Provincial Planning Commissions and municipalities will have specific planning responsibilities. The emphasis on planning is to improve and speed up the pace of delivery to all people.

Through these initiatives the legacy of apartheid spatial planning, economic and social exclusion will be aggressively addressed through the review of all legislation dealing with development planning, with a particular focus on spatial and land-use planning. Rural and urban development and the establishment of integrated well-functioning and sustainable human settlements will be a primary priority of our planning.

LATEST STATEMENTS

ANC statement on the Cabinet
Lekgotla, 25 May 2009
<http://www.anc.org.za/show.php?docs/pr/2009/pr0525.html>

ANC supports COSATU's call for
enquiry into mine deaths,
26 May 2009
<http://www.anc.org.za/show.php?docs/pr/2009/pr0526b.html>

Latest economic stats call for
partnership , 26 May 2009
<http://www.anc.org.za/show.php?docs/pr/2009/pr0526c.html>

Eviction of refugees a breach of
SADC treaty – ANC, 27 May 2009
<http://www.anc.org.za/show.php?docs/pr/2009/pr0527a.html>

ANC welcomes repo rate cut,
28 May 2009
<http://www.anc.org.za/show.php?docs/pr/2009/pr0528b.html>

UPCOMING EVENTS

State of the nation address
Wednesday, 03 June 2009
Parliament, Cape Town
09h00