

RESOLUTIONS

ECONOMIC TRANSFORMATION

1. The Conference considered and endorsed a number of recommendations from the National Policy Conference and Provincial General Councils, and agreed to the following resolution on radical socio-economic transformation.

Noting that:

2. The ANC's vision for the South African economy is guided by the Freedom Charter's clarion call that the people shall share in the country's wealth. The ANC is committed to building a more equal society, in which all can find decent work and enjoy a sustainable livelihood.
3. Since the 1994 democratic breakthrough, significant progress has been made in meeting the basic needs of the people. This progress has found practical expression in, among others, increased protection for workers, the expansion of the black middle strata, the extension of the social security net, and the expanded provision of social and economic infrastructure.
4. Current factors such as persistent low levels of economic growth, rising national debt, some weaknesses of state owned companies, low levels of business and consumer confidence, low investment levels, credit rating downgrades, policy inconsistencies and public and private sector corruption have limited the ANC-led government's ability to drive socio-economic transformation and address South Africa's triple challenge of inequality, poverty and unemployment.

Further noting that:

5. Despite the economic advances of the past 23 years of freedom and democracy, the legacy of colonialism and apartheid is still deeply entrenched in our society and in the structure of the South African economy.
6. This legacy expresses itself in racialised patterns of poverty, inequality and unemployment, in land and spatial disparities, in infrastructure and service backlogs, in concentrated structures of ownership and

control and in the weaknesses of the SMME and cooperatives sector.

7. There has been slow progress in building a developmental state that has the capacity and capability to mobilise society and direct resources towards developmental goals.

Reaffirming:

8. The 53rd National Conference in Mangaung characterisation of the current phase of the National Democratic Revolution as the second phase of our ongoing transition from colonialism and apartheid to a National Democratic Society.
9. The ANC's adoption in Mangaung of the National Development Plan (NDP) as our guiding programme for accelerated and radical socio-economic transformation in South Africa, with the aim of achieving shared prosperity for all the people.
10. In addition to adopting the NDP, the focal areas of the Mangaung's economic transformation resolution are as follows:
 - Placing emphasis on mineral beneficiation;
 - Support for women and youth owned small business and cooperatives;
 - The establishment of a State Bank;
 - Rural development and land reform, and
 - Supportive macro-economic framework.

Believing that:

11. Within the context of radical socio-economic transformation, the ANC's strategic relationship with private capital is one of cooperation and contestation. This requires, among others, that the state must actively seek partnerships with the private sector and provide leadership to guide the country towards its developmental goals.
12. In order to revive South Africa's economy, sectoral growth plans must be developed for industry, agriculture, mining, construction and services. There

must also be programmes to ensure increased investment in infrastructure, expanded research and development and a rapid improvement in education and training in order to equip the people to participate fully in the global economy's ongoing fourth industrial revolution.

Conference therefore resolved:

On reigniting growth

13. South Africa must act urgently to reignite economic growth. Active steps to achieve accelerated economic growth include:
 - Uniting government, labour, business and communities in an investment pact;
 - Isolating and rooting out corrupt elements in the public and private sectors;
 - Stabilising the governance and finances of State Owned Companies (SOC) and ensuring that SOC's play a developmental role;
 - Ensuring a measured and balanced path of macroeconomic management;
 - Working to avoid further downgrades to South Africa's credit rating and regain an investment grade;
 - Regulating uncompetitive structures and conduct in the economy; and
 - Reviewing and recalibrating the NDP regularly in order to ensure improved implementation.

On Land Redistribution

14. We must pursue with greater determination the programme of land reform and rural development as part of the programme of radical socio-economic transformation.
15. Expropriation of land without compensation should be among the key mechanisms available to government to give effect to land reform and redistribution.
16. In determining the mechanisms of implementation, we must ensure that we do not undermine future investment in the economy, or damage agricultural production and food security. Furthermore, our interventions must not cause harm to other sectors of the economy.
17. The ANC's approach to land reform must be based on three elements: increased security of tenure, land restitution and land redistribution. Concrete interventions are required to improve the functioning of all three elements of land reform. These inter-

ventions should focus on government-owned land and should also be guided by the ANC's Ready to Govern policy document which prioritised the redistribution of vacant, unused and under-utilised state land, as well as land held for speculation and hopelessly indebted land.

18. The accelerated programme of land reform must be done in an orderly manner. Strong action must be taken against those who occupy land unlawfully.
19. The programme of land reform must have clear targets and timeframes, be guided by sound legal and economic principles, and must contribute to the country's overall job creation and investment objectives.
20. In addition it was resolved to:
 - a) Ensure active measures be put in place to drive land redistribution, such as a land tax, support for black farmers and preferential allocation of water rights and infrastructure provisions to black farmers.
 - b) Ensure effective programmes to increase training and support measures that will ensure the success of beneficiaries of land reform.
 - c) Ensure land reform enhances food security for poor families and maintain food security for South Africa as a whole.
 - d) Empower local governments to effectively advance land reform in their areas both for agricultural and other purposes.
 - e) Accelerate the rolling out of title deeds to black South Africans in order to guarantee their security of tenure and to provide them with instruments of financial collateral.
 - f) Democratize control and administration of areas under communal land tenure.
21. It was further resolved that the expropriation legislation currently in process should be finalised and that an ETC workshop on land reform would be held to develop a detailed ANC approach to accelerated land reform and to allow for a report back on the land audit that has been undertaken by government.

On State Owned Companies

22. The main purpose of SOC's is to operationalise the broad socio-economic development plans of government.
23. Firm action is required to improve the governance and performance of SOC's by ensuring the appointment of skilled staff and qualified board members and protecting public institutions from improper interference.



REPORT OF THE 54TH NATIONAL CONFERENCE

On Labour Market and Executive Pay

24. The gap between incomes of executives compared to workers remains very high. The wage gap has continued to deepen. This should be addressed as a matter of national priority, through a national incomes policy, underpinned by legislation where necessary.
25. The livelihoods of the poor, their employment opportunities, prospects for employment; and their capacity to roll back poverty and destitution should be prioritized. This principle includes the orientation of the macroeconomic policy so that economic growth takes place within an overarching strategy of job creation. We will strive to create employment that delivers fair incomes and social protection for workers and their families.
26. The national minimum wage must be implemented as a matter of urgency as the new minimum wage regime will impact positively on the lives of many low paid workers.

On the South African Reserve Bank

27. Reaffirm the resolution of the 53rd National Conference Resolution on the mandate of the South African Reserve Bank which states: *“South Africa requires a flexible monetary policy regime, aligned with the objectives of the second phase of transition. Without sacrificing price stability, monetary policy should also take account of other objectives such as employment creation and economic growth.”*
28. The South African Reserve Bank is the central bank of the Republic. It performs its functions independently, but in regular consultation with the Minister of Finance. The right to issue paper money, set interest rates and regulate the financial system resides wholly with the Reserve Bank.
29. It is, however, a historical anomaly that there are private shareholders of the Reserve Bank. Conference resolves that the Reserve Bank should be 100% owned by the state.
30. Government must develop a proposal to ensure full public ownership in a manner that does not benefit private shareholder speculators.

On the Financial Sector Transformation, State Bank and DFIs

31. The state must develop a more effective programme to ensure access to, and ownership of, financial institutions by black people, youth and women. This should include new approaches to regulation and licensing that fosters competition and enables diversified ownership. The forthcoming Financial

Sector Transformation Summit should provide a clear framework for the acceleration and deepening of transformation in this sector.

32. The use of state banks to promote economic development must be stepped up. The Postbank should be registered as a bank as a matter of urgency. The NEC must receive reports at each sitting on progress in this regard.
33. Development finance institutions and state banks should give greater emphasis to employment creation, empowerment, industrial diversification and development, small businesses and cooperatives, small-scale agriculture, micro-enterprises and local and regional economic development.
34. Development finance institutions' mandates should include the development of black-owned companies. Public finance institutions must be given clear developmental mandates.

On economic concentration

35. The high levels of concentration of ownership in many sectors of our economy is dysfunctional to growth, entry of black South Africans in the economy and effective competition.
36. Conference calls for effective measures that expand the mandate of the competition authorities to identify high levels of concentration and to have the powers to act to de-concentrate levels of ownership, in order to open the market to new, black-owned companies.
37. The penalties for uncompetitive behavior must be increased.
38. The Competition Commission needs to be strengthened with additional resources to build on its current capabilities.

On investment and allocation of resources

39. Government should introduce measures to ensure adequate financial resources are directed to developmental purposes. A new prescribed asset requirement should be investigated to ensure that a portion of all financial institutions funds be invested in public infrastructure, skills development and job-creation.
40. A Sovereign Wealth Fund should be set up to ensure that the free-carry shares in mining and other resource sectors be retained by the state, acting as the custodian of the people as a whole.



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On strengthening Broad-Based Black Economic Empowerment (BBBEE)

41. State procurement should be used as an empowerment lever.
42. The PPPFA should be significantly amended to fully realize all objectives set out in s217 of the Constitution. Set asides must be further strengthened so that they work more effectively in promoting black businesses.
43. Government should intensify the use of state concessions as a policy tool for economic development and transformation, including in minerals, petroleum, fishing, spectrum, land, water, energy, etc.
44. A worker empowerment component should be introduced in the policy framework to massify share-ownership among workers and to provide for worker representatives sitting on the boards of companies.

On manufacturing, creative industries and tourism

45. Manufacturing continues to be a major sector of South Africa's economy, providing a significant base for skilled employment opportunities. Through its Industrial Policy Action Plan (IPAP), government seeks to transform the structure of South Africa's manufacturing base through creating new levels of dynamism and competitiveness in the sector.
46. A renewed emphasis must be placed on localisation, particularly linked to infrastructure projects and to procurement by government and state-owned companies.
47. There must be increased designation of products that are locally produced to facilitate an expanded buy local campaign.
48. The black industrialist programme should be strengthened and support programmes should be developed for other sectors.
49. Conference recognised the potential of the creative industries as a socially transformative sector that provides jobs, drives economic growth, innovation and allows many young people to make a living from their talent.
50. Conference resolved that the ANC must upscale interventions to support the creative industries. We must ensure the protection of artists, including the development of a strategy to promote trade, fight piracy and map the value chains of this sector.
51. Advancing transformation in the tourism sector is paramount. The popularity of South Africa as a tourist location highlights the need for more streamlined support, including alignment of the

goal of increasing tourism activity with the security of tourists and the visa policies of the country.

On the skills revolution

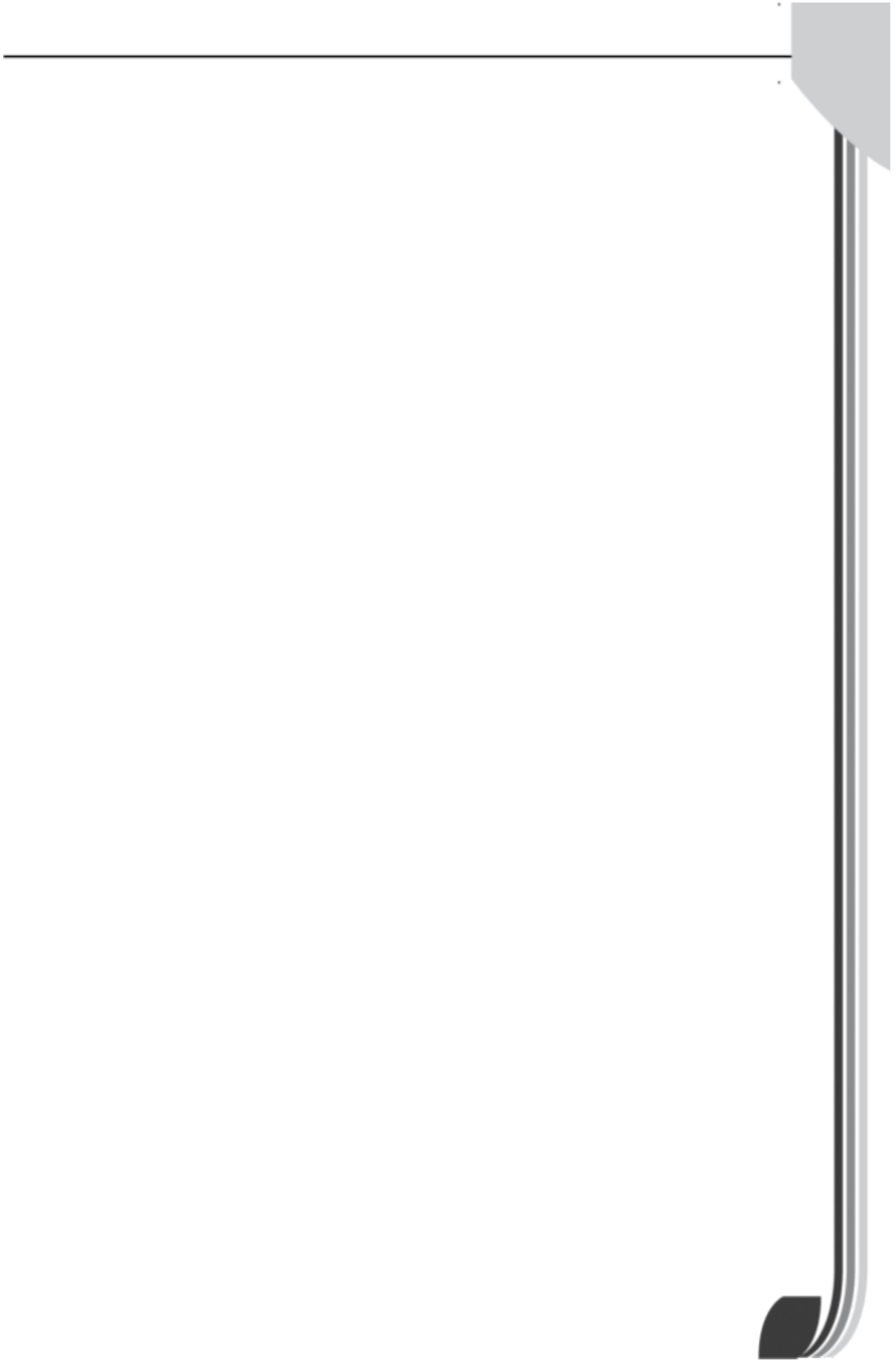
52. The challenges of new technology and the 4th industrial revolution require a revolutionary approach to training and skills development.
53. Initiatives that accelerate the placement of youth in employment opportunities that generate skills and experience should be intensified.

On improving the industrial and economic impact of public expenditure

54. Infrastructure spending remains a lever through which industrial development and economic growth can be sustained.
55. The infrastructure programme should actively support youth employment, localisation, black industrialists and other developmental goals.
56. Procurement institutions must be strengthened to ensure a close monitoring of adherence to revised preferential procurement regulations.
57. The most potent way to build and strengthen backward and forward industrial linkages in our economy is through local procurement. This will improve our trade balance and ensure that fiscal policy has an increased multiplier impact on economic growth, employment and long term development.

On beneficiation and building high value-added value-chains

58. New measures to inwardly orient those components of mining and upstream production such as petrochemicals and basic iron and steel, which are crucial for metals fabrication, capital goods production especially engineering activities, need to be put in place in support of a coherent strategy of industrial development based on raw minerals beneficiation.
59. The state should apply export taxes to strategic minerals where required to ensure local beneficiation.
60. Encourage recycling, especially of metals and other products such as plastics, rubber and paper. This will require that we promote the local re-cycling industry, especially metals re-cycling in order to significantly reduce energy consumption in the process of metals production and fabrication. In this connection, we should continue to limit the export of scrap metal.



On small businesses and co-operatives

- 61 Government measures to support small business and cooperatives need to be scaled up to ensure their impact is felt across the economy. The stimulation and protection of township-based economic activities is also important in this regard.
62. Youth employment must be prioritised, including through effective public employment programmes, internships, job placement, youth set-asides, procurement from youth-owned enterprises and youth entrepreneurship programmes.
63. Effective use and resourcing of the National Youth Development Agency is important as it offers support services to young people, especially those in rural areas and in working class urban communities. Youth support must be incorporated as one of the areas in the scorecards for firms from which government procures goods and services.

On Mining

- 64 There was support for the overall objectives of the newly promulgated Mining Charter, but it was agreed that further discussion is required with mining industry in order to ensure investment and employment levels are not negatively affected.
65. Beyond a narrow focus on individuals, increased ownership targets in the mining sector should primarily benefit the state, community and employee ownership. In particular, free-carry shares should be held in trust by the state rather than allocated to a few individuals.
66. The well-being of near mine communities and mine safety and rehabilitation are also all priority factors.
67. In line with the Mangaung Conference resolutions, the State Owned mining company must be strengthened, so that it can play a significant role in the mining sector.

On the oceans economy and forestry

68. The ANC must ensure expanded participation in the entire value and supply chain linked to South

Africa's Oceans Economy. Priority interventions must include:

- a. Finalising the fishing quotas and ensure they are given effect to immediately.
 - b. Development of a marine-policy that ensures the use of South African ships as part of our trade with the rest of the world.
69. Similarly interventions must be put in place to fully utilise the potential of South Africa's forestry sector to drive empowerment, transformation, economic growth and decent work.

Taxation

70. The state must develop a proposal for an appropriately structured wealth tax, possibly linked to the land tax, to promote equity and raise revenues.
71. In the current economic climate, there should be a review of the proposed sugary beverages tax with particular emphasis on the potential impact on employment relative to the health benefits
72. Government must urgently crack down on tax avoidance and illicit capital outflows.
73. In order to make available critical inputs for downstream industries, we must consider instituting export tariffs as an important tool for promoting local beneficiation.

On improved implementation, monitoring, accountability and evaluation

74. Conference reaffirmed the need to strengthen the developmental state in order to ensure seamless implementation for radical socio-economic transformation. The capacity of the state is a macroeconomic issue because it influences the behaviour of the economy as a whole.
75. With this in mind, Conference resolved to affirm the NEC decision to create an accountability framework to ensure that deployed comrades at all levels are held accountable to the implementation of ANC policies.



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