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VOLUME 4 ISSUE 21

AZAPO WEEKLY ONLINE PUBLICATION

GOVERNMENT IS TIMID TO FORCE TRANSFORMATION

Addressing a gathering of mining companies, Minister of Mineral Resources Gwede Mantashe encouraged mining houses to develop communities that live in areas where they are mining.

On the face of it, it sounds fair and reasonable. The plea arises from an obvious concern that it is impossible to explain and justify the poverty and the poor living conditions of communities living in the mining areas. Some of these communities have had to be relocated to create space for mining activities.

The minister's advice to the mining companies is a friendly one. It is in their interest to develop the surrounding communities so that locals can get a sense that they too are benefitting from the mining happening in their land.

As noble and sensible as the minister's advice is, it is misplaced. Mining, just like any other commercial business, is a cut-throat business driven hard by profit motive. In business, everything is done to impact on the bottom line. It is never about helping to improve the community to live better. The plea by the minister will have the same effect felt by the moon when a dog barks at it. Zero!

The minister knows that there is a problem. Our national resources are being plundered by big mining companies, many of which are foreign owned, without real benefit for the majority of the South African population. In some instances, the mining company would employ locals to do menial work such as cleaning or build a crèche for the community. However, the real wealth would be shipped out of the country to create work opportunities in those countries where there is beneficiation of the minerals.

The local community would have to suffer from the negative effects of mining such as houses that are cracking because of the blasting and the pollution of the air and environment.



As a former mine worker, the minister should have a better appreciation of the extent of the exploitation of both labour and minerals by the mining giants. It is for this reason that the minister should do more than "encourage" the mining companies to develop communities.

Ideally, these mines should be under the ownership of the State. The minerals are national wealth that belongs to all the people of South Africa. They are supposed to be used for the benefits of all the people not just a few mining magnates.

We accept that this is not the case under this regime. As a minimum, the minister should, through a better mining charter, prescribe the terms under which mining companies should continue to operate. In other words,

it should not be left to the conscience of the mining managements what they can do for the communities. It should be in Black and white. There should be a penalty that includes the termination of the mining licence should the mining company fail to comply with the terms of its mining licence. If there are conditions and the government is enforcing the terms of conditions, the minister would not have to make impassioned pleas to the mining houses. They would have to do the right thing or face losing the rights to mine.



But no. Ours is a government that is apologetic about its responsibilities, especially when it has to deal with big business, which by definition is white. It does not seem to appreciate that it is in power and has the power to govern.

As legendary musician and artist Mbongeni Ngema once said: "Kodwa nibasabani abelungu? (But why are you so afraid of whites?)"

SQUEEZING THE POOR AND THE WORKING CLASS

Following the ill-advised and totally insensitive decision of the South African Reserve Bank to increase the repo rate by 50 basis points, we were tempted to join the chorus condemning the Central Bank for adding the misery of the poor and the working class by contributing to their high cost of living.

But we have stated this position in the past. The Reserve Bank is using a sledgehammer to kill a fly on one's forehead. The collateral damage is too huge.

In its defence, the Central Bank will argue that its

mandate is to ensure that inflation remains within the target range of between 3 and 6 percent. Once it goes beyond that range, as it is just over 7 percent currently, the Central Bank has no other tool to respond to the rising inflation but has to hike interest rates.

The mandate of the Reserve Bank should be widened to include job creation. In whatever decisions that the Reserve Bank takes, they should also consider economic growth and by extension, job creation. Currently all they have to look at is inflation. If it goes beyond 6 percent, they hike interest rates.

Economists are agreed that interest rates are used to curb uncontrolled spending. In other words, when consumers have more disposable income and they are competing for fewer goods, which leads to higher inflation, one effective method of reducing spending will be to increase interest rates. With higher interest rates, consumers will have to pay more on the repayments of their houses, cars and other loans. They will have less disposable income because of lower demand of goods and services, inflation will come down. That is the textbook theory.

But in the case of South Africa, inflation is not a result of consumers having more disposable income. It is imported. Factors contributing to inflation have nothing to do with the South African consumer but has everything to do with international developments such as the war in Ukraine and the price of oil.

The hiking of repo rate will only serve to put more pressure on the consumer. Some of them will lose their cars and houses as they will not be able to cope with the repayments. Those working for the State will push more salary increase.

Those running private companies will not extend their business operations as these may require that they make further loans from the banks, which would have to be serviced at a higher cost. With the shrinking of business activities, there will be few jobs.

As we stated in previous publications, hiking interest rates is the worst that the Central Bank can do under the circumstances to deal with inflation.

The question that can be asked is: What would AZAPO do in these circumstances? In March of this year, the price of potatoes increased by a whopping

28 percent while that of bread increased by 14 percent. The price of cooking oil has almost doubled compared to what consumers were paying last year.

There have been reports of price fixing by producers. These reports are now a subject of an investigation by the Competition Commission.



There is a need to protect the poor and the working class against high cost of food, especially. In relation to the supply of bread, AZAPO will form co-operatives and support small businesses that make bread, just as an example. In a particular township, such as Mankweng, the government will create a market for local producers of bread such that bread does not have to be produced from a faraway town. Because there would be no huge transport costs, the price of bread will go down.

The producers of bread can also supply the local schools in their school feeding programs. They can supply the local hospital and a nearby Correctional Service facility. An AZAPO government will pass a law that forces companies to procure certain goods from local suppliers. It is simply ridiculous for KFC to import potatoes from abroad when there are local potato farmers struggling to access markets.

In summary, AZAPO will work with local people to solve their problems. AZAPO will use the State to develop communities and ensure food security.

AZAPO will not choose the easy way out. The Central Bank's hawkish plan of hiking the repo rate with the hope of bringing imported inflation under control has

not worked in the past.

MUSHROOMING OF POLITICAL PARTIES DOES NOT EQUAL TO STRONGER DEMOCRACY

The mushrooming of political parties has not enhanced viable democracy but serves to undermine public confidence in the political system. An average voter looks at the explosion of the emergence of new political parties and wonder if politicians are not just bad entrepreneurs who are trying to make a quick buck by forming a political party. There is a cynical view that on our continent it is easier to be rich, or even to survive, as a politician than as a businessperson.

Last week the country witnessed the formation of another new party, Xiluva. After a fallout with the leader of ActionSA, Bongani Baloyi announced the formation of Xiluva which he says will focus on issues that affect young people. Interestingly, Baloyi described the voters as a market!

The Democratic Alliance has birthed several parties. This started with the departure of Patricia De Lille who formed the Good Party. Later Herman Mashaba left the DA to form ActionSA. Then it was Mmusi Maimane who left the DA and formed an entity known as One South Africa.

Political fertility is not confined to the DA. When the African National Congress expelled General Bantu Holomisa, the former Transkei strongman formed the United Democratic Movement. And when former President Thabo Mbeki lost the ANC presidency to his deputy Jacob Zuma, Mbeki's supporters left the ANC and formed the Congress of the People. A few years later, when Julius Malema was expelled from the ANC, he formed his Economic Freedom Fighters.

In the Inkatha Freedom Party, senior leader Zanele Magwaza Msibi left to form the National Freedom Party. In the Pan Africanist Congress, Themba Godi left and formed the African People's Convention.

Irvin Jim's NUMSA, which left the ANC-led alliance in Cosatu, formed the Socialist Revolutionary Workers Party (South Africa).

A border dispute in Matatiele resulted in the formation of the African Independent Congress (AIC).

Then there was the African Transformation Movement, an off shoot of the ANC.

Former ANC leader and a member of Umkhonto we Sizwe, Carl Niehaus has also formed a new political party, the Radical Economic Transformation Movement.

The list of political parties is endless.

With this explosion of new political parties, it is understandable why voters would be sceptical and conclude that politicians just want their votes to go to parliament and earn salaries.



In this polluted political environment, why should voters think that AZAPO would be different? As a start, AZAPO is not a post-apartheid party formed to take advantage of the opportunities presented by serving in parliament. AZAPO is a tried and tested liberation movement with rich political heritage. It is the custodian of the Bantu Biko's Black Consciousness philosophy.

AZAPO was central in the key milestones of our liberation struggle including the Soweto student uprising of June 16, 1976, which was the catalyst for the national democratic revolution.

Glorious and impressive as this sounds, this is history. What does AZAPO offer to the voter today?

AZAPO wants State power in order to complete the unfinished business of liberation. The current government is too timid and too concerned with massaging white fears that it is incapable of delivering the basic demand of liberation to the Black majority. Almost 30 years after the dawn of democracy, land is still in the hands of the white tribe. The economy is firmly under the ownership of the white tribe. Our country is the most unequal in the world.

With the State power, AZAPO will speed up the process of taking back the land from the white tribe to ensure equitable access of land to the Black majority. With State power, an AZAPO government will force economic transformation of white businesses and force them to be part of a process that enables Black people to be in the mainstream of the economy. One tool to make this effective would be to pass a legislation that states that businesses that are not 51 percent owned by Blacks should not tender for government business.

An AZAPO government, anchored on BC, will restore confidence in our people to strive for excellence in education, health and other services offered by the State.

AZAPO will, as Biko said, bestow on South Africa a more human face.