

ANC Secretary General Fikile Mbalula

responds to Bloomberg



he recent Bloomberg article "Why South Africa is on the Brink of Chaos" may lead to societal misunderstandings. The article implies that the root cause of South Africa's current predicament is a dysfunctional bureaucracy and a breakdown in service provision, with the only solution being large businesses.

Although it may be challenging to counter the numerous misrepresentations and selective narratives presented in the piece, self-evident and empirically grounded facts warrant mentioning.

Firstly, the ANC has acknowledged in its Political Report presented by President Cyril Ramaphosa that there are areas where progress has stalled, and achievements have been eroded. The President has highlighted issues such as slow economic growth, weaknesses in governance and service provision, and the deterioration of infrastructure and services at the local level.

ANC's strategy and tactics documents are crystal clear. South Africa is set to achieve a significant milestone of 30 years of democracy in 2024. This presents an opportunity to reflect on our country's transition from apartheid colonialism to a national democratic society. We must take this moment to work towards a better life for all South Africans and eliminate any remnants of apartheid colonialism.

As the African National Congress, we are proud of the significant progress that South Africa has made since the dawn of our democracy in 1994. Our democratic breakthrough has led to the adoption of a transformative Constitution that guarantees all citizens fundamental freedoms and human rights.

Our country has made significant progress in establishing democratic institutions that operate within the framework of the Constitution. Millions now access essential services and infrastructure, including electricity, housing, education, healthcare, water, energy, and poverty alleviation support through a social security net.

One notable achievement is the significant increase in households using Eskom's electricity, which has risen from just under 400,000 in 1992 to over 3.3 million homes in 2003. As of 2021, 89.3% of South African households are connected to the main electricity supply. Furthermore, most households now live in formal brick houses, with 80.1% residing in such dwellings in 2017. The number of households that received some form of government housing subsidy has also increased, from 5.6% in 2002 to 13.6% in 2017.

The National Student Financial Aid Scheme has also made significant strides, funding almost a fifth of a million more students between 2018 and 2021. In the 2023 academic year, NSFAS will support over 60% of undergraduate students in our public university system and over 90% of students in TVET colleges. This will undoubtedly have a significant impact on the future of our country.

Despite the significant impact of HIV and AIDS, life expectancy has increased from 54 years in 2005 to 65.2 years in 2020, which is a remarkable feat and a testament to the

resilience of our people. Basic education is now almost universally accessible to young children aged 7 to 14, with the percentage of learners aged five years and older who attended schools where no tuition fees were levied increasing from 0.4% in 2002 to 66% in 2017.

Our country's GDP has grown by 200% between 1994 and 2011. As of 2017, 71.2% of households reported using public clinics, hospitals, or other public institutions as their first point of access when household members fell ill or got injured. South African households' access to piped or tap water in their dwellings, off-site or onsite, stands at 89% as of 2017.

Furthermore, the Fiscal Management of Finances is bearing fruit, with the consolidated budget deficit anticipated to decline from 4.6 per cent of GDP in 2021/22 to 4.2 per cent of GDP in 2022/23, reaching 3.2 per cent of GDP in 2025/26. The debt-to-GDP ratio is well below the

Benchmark standard of 77%. These achievements are a testament to the hard work of our people and the government's commitment to improving the lives of all South Africans.

While some sectors have experienced declining employment, other industries, such as automotive manufacturing and food and beverage, have made significant advancements. These achievements indicate that there is still much hope for our economy.

It is imperative to acknowledge that South Africa's economy has confronted ongoing limitations to inclusive growth due to past investment and underinvestment trends, societal fragmentation, and deliberate miseducation during the Apartheid era.

It's unreasonable to expect these challenges to disappear in just thirty years magically. The article also tries to portray the social compact partnership between the public, private, and other social partners as something the industry is doing to save the day. This narrative perpetuates the "good guys vs bad guys" story.

Our strength lies in our unconditional admission of our challenges and our gratitude for our successes. To this end, our strategy and tactics document focuses solely on addressing the following challenges:

- the chronic poor performance of the economy and the resultant high rates of unemployment, poverty, and inequality,
- the collapse of many municipalities and poor maintenance of infrastructure across the government undermining service delivery, the energy crisis undermining growth,
- investment and job creation efforts, further hampering the delivery of education, water, healthcare, safety, and other social services,
- rising cost of living making it difficult for households to meet their most basic needs, such as food, transport, and clothing, and

 increasing levels of lawlessness, criminality, and violence, including gender-based violence and racism, erode social cohesion gains made over the years.

It would be a grave mistake to oversimplify South Africa as a nation grappling with policy paralysis and governmental incompetence. Such a view could potentially mislead readers, particularly those whose opinions sway the market. While there is still much to be accomplished in pursuing a Better Life for All, we must avoid going at it alone and instead strive towards "crowding in" solutions.

The path to a united, non-racial, non-sexist, democratic, and prosperous National Democratic Society lies in economic transformation. This transformation can be achieved by implementing the Economic Reconstruction and Recovery Plan. By investing in infrastructure, improving energy security, and enhancing data services accessibility, we can bolster the growth of the manufacturing and services sectors.

We are prioritizing youth employment and the challenge of highly concentrated ownership patterns. We also intend to provide access to land to unlock opportunities and jobs in rural areas, which will transform the apartheid's spatial geography in urban centres. Expanding trade with other countries beyond traditional trading partners is crucial. The African Free Trade Continental Agreement has immense potential in this regard.

Our goal is to achieve macroeconomic stability and enhance safety and security measures. In order to achieve our aspirations, it is crucial to eliminate corruption at all levels of government. Strengthening social compacts and improving coordination between government and social partners can promote inclusive growth and accelerate social and economic transformation.

Fikile Mabalula

Secretary General of the African National Congress