

Manuel, declared GEAR to be “non-negotiable”. The ANC government defended the GEAR plan as an elaboration of principles and perspectives contained in the RDP. It argued that the specific measures in the GEAR plan were merely refinements of positions established in the RDP (Kotzé, 2000:12; Marais, 2001:162,169,187; Terreblanche, 2003:112,144,450,461). This prompted Bond (2000:192-195) to describe the ANC’s strategy as a “tendency to talk left” but to “act right”.

Union opposition to privatization in South Africa included concern about the socio-economic impact of restructuring and privatization, since it would lead to an enormous number of retrenchments and job losses, and therefore labour-market insecurity. The unions also harboured fears of the loss of social security benefits, such as pension/providence, medical aid and other related benefits as part of any workplace restructuring/privatization programme. (Harsch, 2001:4; Marais, 2001:162; Meyer, 2000:8,11; Terreblanche, 1999:6; Terreblanche, 2003:461). In COSATU’s view, it was “blindingly obvious that it is not possible to have a developmental budget within an anti-developmental economic framework” (Marais, 2001:188).

COSATU opposed privatization of state-owned enterprises as envisaged by GEAR because of its negative effects on the socio-economic interests of the poor and the working class. According to COSATU, the goal of the privatized companies would be maximization of profits for shareholders, not provision of services to the poor. The result would be job losses and increased costs for the services (Knight, 2001:4). For instance, COSATU President John Gomomo (1997:4), complained about the lack of job creation and redistribution and of social spending that had been severely cut as a result of GEAR.

In this context both COSATU and the SACP became increasingly critical of GEAR. COSATU’s 6th National Congress rejected GEAR but did not demand that the ANC drop the policy. The SACP aired its discontent more stridently than COSATU, while COSATU spoke strongly and even staged a series of protests and strikes against job losses. (Marais, 2001:162-163,180; Webster & Adler, 1998:5). According to Marais (2001:182,185), COSATU’s half-hearted efforts to contest the implementation of the GEAR plan were not only a reflection of the gradual weakening of labour’s influence in the socio-economic realm, but should also be read as a reminder of the limits of its influence. Like the SACP, it has been unable to shift the paradigm of the government’s economic thinking.

THE PROS AND CONS OF THE MBEKI ADMINISTRATION WITH REGARD TO THE PROVISION OF SOCIAL SECURITY

Political economists concur that growing unemployment and poverty, the lack of job security and inadequate safety nets as a form of social assistance to reduce the vulnerability stemming from unemployment are South Africa’s greatest social challenges at present, as there are signs that growing poverty is creating grave dissatisfaction at grass-roots level in the Tripartite Alliance (Terreblanche, 2003:461; Van der Berg, 2002:1-5,7,32; Van der Berg & Burger, 2002:1,69,74). In the light of worsening poverty and the lack of social delivery South Africa was, according to Bond (2003:160-161), “a socio-economic time bomb”.

When, early in 2002, the Committee of Inquiry into a Comprehensive Social Security for South Africa (the Taylor Committee) proposed a slow march towards a basic income grant as a means of granting social security benefits to the poor, the state at first responded with a notable lack of enthusiasm. For instance, Finance Minister Manuel said a basic income grant was “fiscally unsustainable”. However, with the escalation of unemployment, government spokespersons began to hint at public work programmes or special employment programmes as one way to tap

the labour power of the poor to reduce the impact of structural unemployment (Makino, 2004:21; Mbeki, 2003:1-5; Meth, 2003:114; SACBC, 2003:1; Van der Berg, 2002:33).

During the 2004 general election campaign, the ANC seemed to have oscillated between a pro-RDP and a pro-GEAR stance. In the party's election manifesto the ANC proclaimed that the RDP served as its guide for a vision for the next ten years. The manifesto also stated that the ANC would continue the growth, reconstruction and development of the country. Party spokespersons claimed the ANC "has never renounced the RDP as a concept, but that the GEAR plan was imperative to save the South African economy from the crisis that the party inherited from the apartheid regime". The RDP would not be reimplemented as an official programme, as GEAR still formed an integral part of the government's economic policy (Die Burger, 13.1.2004:4).

However, after an extensive election campaign tour to various rural and urban constituencies throughout the country, and having won the 2004 general election with an overwhelming majority of almost 70% of the parliamentary seats, the ANC seemed to have grasped the tremendous extent of unemployment and poverty that prevailed in South Africa and the huge expectations voters held of the government to alleviate the situation. On 18 May 2004 President Mbeki launched the first Expanded Public Works Programme in a rural area of the Limpopo Province (Mbeki, 2004:1-4).

The Mbeki administration devoted 50% of the national budget to welfare (Pottinger, 2008:17) and by the end of his tenure as President South Africa had seven types of social grants in its social assistance system: an old age grant; a disability grant; a war veterans' grant; a foster grant (for a child's carers who are legally foster parents); a care dependency grant (for disabled children under 18 years); a child support grant (for children under the age of 9 years) and a grant in aid (an additional grant for recipients of old age, disability or war veterans' grant who are unable to care for themselves). All grants were subject to means tests (Makino, 2004:1). Indeed, this implied that the state's massive social security programme entailed the extension of social grants from 3 million people in 1997 to 12.5 million South Africans in 2008, 8 million of whom were children under the age of 14 years (ANC, 2009:4; Zuma, 2008:3-4).

Mbeki and his economic managers had brought unprecedented macro-economic stability to the country, and millions of citizens were enjoying better living standards than they had ever done before, although high levels of poverty remained an intractable feature of the landscape. However, by 2007, the boom years were ebbing. The sense of well-being created by the good times was being eroded as the economic indicators turned negative before the government could fully consolidate its gains. As a result of the implementation of social policies through the RDP and GEAR South Africa had become a perilously dependent society. Almost unnoticed, one-third of the country's households, the poorest, had become dependant on state grants for survival. Only a very high growth rate could underwrite the continuation of these policies.

In addition, the Mbeki government's ill-considered comment that the principles of GEAR were non-negotiable would come back to haunt it as no serious attempt was made to bring the unions on board. And in June 2005, Mbeki dismissed Jacob Zuma as deputy president of South Africa. The ostensible reason was that he would be facing charges for corruption in regard to the ill-fated procurement of arms for the post-apartheid South African National Defence Force. But Mbeki's explanation for Zuma's dismissal became increasingly threadbare as time went on. The President himself had done everything possible to impede investigation into the scandal.

The reason for Zuma's dismissal, then, became ineluctably linked to Mbeki's own political interests. Zuma, his supporters believed, was fired not because he was corrupt, but because he was beginning to threaten Mbeki's plans for an extended presidency.

This assumption became the rallying cry for various factions at the ANC's national conference at Polokwane in December 2007: the COSATU unionsists – smarting from marginalisation and insult; the communists – forced into humiliating retractions of allegations about Mbeki's “Zanufication” of the movement; the poor – despairing of ever getting decent service; the unemployed – tired of waiting for jobs; and the elite – excluded from office and patronage. Thus Mbeki was repudiated by the majority of his own party membership. He was ousted as leader of the ANC by the votes of three of every five delegates, the victor being Jacob Zuma who was elected as the new ANC president. After Polokwane, Mbeki's cabinet was effectively purged from the senior decision-making bodies of the ANC (Pottinger, 2008:15,64-65,71). In March 2008 Mbeki finally fell from grace when the ANC's national executive “recalled” him from the office of President and he resigned as the country's leader. Kgalema Motlante was appointed as a “caretaker” president until the general election of April 2009, after which Jacob Zuma became South Africa's next President.

THE ANC'S POST-POLOKWANE POSITION ON SOCIAL SECURITY

Already in September 2008, Jacob Zuma as ANC president stated that the party was building a development state and not a welfare state. Therefore its anti-poverty programmes had to “seek to empower people to take themselves out of poverty, while creating adequate social nets to protect the most vulnerable in our society such as older persons, people with disabilities and vulnerable children” (Zuma, 2008:4).

At the Tripartite Alliance's summit meeting in October 2008 it became evident that in terms of its policy vision for a post-Mbeki era the ANC would move towards the left. The social security policy envisaged by the ruling party was clearly influenced by COSATU and SACP thinking in this regard. The state would become much more interventionist on behalf of the poor. Thus the emphasis on policy development shifted from a top-down driven ANC executive approach during the Mbeki era to a more inclusive and consultative process within the Tripartite Alliance.

The meeting agreed that poverty remained widespread and agreed on a policy based on three pillars. Firstly, the basic social endowment “that everyone must have”, including the concept of a social wage (free basic water, electricity, sanitation, basic education, subsidized housing), would be provided. Secondly, individuals should be in a position to access the following benefits: health insurance, retirement benefits, disability, occupational accidents, and unemployment. Thirdly, there should be security-type benefits that are voluntary and the government had an important role to regulate the private market to ensure consumer protection. In addition, the following policy proposals needed to be discussed by the Tripartite Alliance's constitutional structures: a department of social security; the extension of child support grants for children aged 15 to 18; a flat benefit for unemployed workers whose UIF has expired; a basic income grant, linked to skills development; a mandatory contributory social insurance system; a uniform national pension scheme; an ombudsman for social security to deal with complaints; and the implementation of a national health insurance scheme, with free health care at the point of delivery (The Times Blog Archive, 2008:4).

In essence, the ANC's manifesto for the 2009 general election reflected most of the Tripartite Alliance's policy vision on social security at its October 2008 summit meeting. The party stated

that the space to engage on policies and theories has opened up because of international recognition of the failure of policies such as neo-liberalism, liberalisation and deregulation and a new acceptance of the key economic role of the state. Therefore the developmental state will play a central and strategic role in the economy, *inter alia* in creating and maintaining social infrastructure. Apart from reiterating the extension of child support grants for children aged 15 to 18, the extension of social security to more unemployed adults and the introduction of a contributory social security system, the ANC government would consult widely with various sectors “to establish a consensus on our future social security system to make it comprehensive and inclusive”. Therefore it would “look at measures to achieve a bolder expansion of unemployment insurance”. The mandatory contributory social security system to be introduced must provide for guaranteed retirement, disability and survivor benefits, whilst at the same time streamlining the provisions governing road accident claims, occupational injuries and the unemployment benefits (ANC, 2009:5-7,13; Mokonyane, 2009:5).

CONCLUSION

In its reaction to the ANC’s election manifesto the *Sunday Independent* commented that the party relied on its massive spending on social welfare if jobs could not be created faster. But there seemed to be no agreement on basic income grants as the manifesto talked vaguely of establishing “a consensus on a future social security system”. And according to insiders the new comprehensive social security will cost more than the budget allocation (Sunday Independent, 11.1.2009:2). According to Terreblanche (2003:33-34), the South African population has developed into three identifiable groups consisting of about 15 million people each. The first group consists of about 4 million whites and 11 million blacks, receiving 88% of total income. The second 15 million consist mainly of blacks, receiving about 8% of total income. The third mainly black group receives only 4% of total income. To cater only partially for the social needs of a population of whom approximately 43% are unemployed and indigent puts a tremendous tax burden upon the middle class as 6 million South Africans receive some form of social grant from the state.

Despite some positive characteristics of the history of social security provision in modern South Africa, Van der Berg (1997:492,498,501) correctly argues that, until the labour surplus situation in the country has been overcome effectively, which could take decades, unemployment insurance, for one, can only cover a small part of the labour force for a short period against the scourge of unemployment. The challenge facing South Africa is to offer a safety net for the poor in the labour pool, mainly because of the absence of remunerated employment, while insuring those in employment against major contingencies (loss of employment, old age, ill health, disability). Although the social security system has developed to almost unprecedented levels for a semi-industrial country, there are still major gaps. How to effectively fill these gaps in light of the ANC’s election focuses on poverty relief will be a major challenge for the post-2009 ANC government.

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This material is based upon work supported by the National Research Foundation. Any opinion, findings and conclusions or recommendations expressed in this material are those of the author and therefore the NRF does not accept any liability in regard thereto.