



Economic Transformation:

Discussion Papers

ECONOMIC TRANSFORMATION

Introduction

As a response to the ethical, morality and leadership frailties characterising South Africa in the past several years, the South African Council of Churches (SACC) set up a process, namely the National Convention of South Africa, aimed at building public consensus on the value positions and standards that should inform policy options, that are acceptable to meet the requirements of life and governance anticipated in the rights culture of the South African Constitution. A host of civil society formations (religious, business, labour, community etc.) were mobilised in an endeavour to cast a critical look at the post-1994 transition prospectus. Specifically, the idea was to re-imagine in a comprehensive and dispassionate way, key aspects of the post-apartheid socio-economic condition with particular reference to the following four broad thematic areas:

- **Anchoring Democracy**
- **Economic Transformation**
- **Healing and Reconciliation**
- **Comprehensive Quality Education**

We focus on these four thematic areas because we believe that effective strategic and policy work on each of them will have far-reaching ramifications for the over-all growth and development prospects of our country. We also recognise the dependencies and interconnections between the thematic groups. For instance, in order for the thoroughgoing changes we envisage in the education and training system to materialise, much will need to be done in the economic policy front. There simply needs to be a much better (mutually reinforcing) relationship between education and training on the one hand and the growth and development needs of the economy.

At the same time, turning around the education and training system will require critical changes in the workings and operations of the state (the state of the state). This includes focused attention on corruption, meritocracy, and an antipathy to the deep the structural and racially defined problems of inequality and unemployment. So, Anchoring Democracy means that race, class, gender, sexuality and geographic location should not determine who is included or excluded in the new South Africa. The Comprehensive Quality Education theme considers its brief to cover all aspects of education and training (from the first 1000 days to the labour market). We thus envisage a system of education that will imbue children (from a very early stage of their lives) with the values of integrity, accountability, meritocracy and community. Through educating and training this generation of learners differently, our country stands a really good chance of redefining the future of South Africa. We seek, through the values, standards, ethos and policy proposals we set out, to fundamentally re-author the future of our country and its prospects.

Theory of Change

This entire National Convention of South Africa process is mounted on the principle of human (citizen) agency. It is based on the recognition that it was a huge error in judgment for South African citizens to lower their guard with the advent of democracy. State capture, moral decay, unethical leadership and corruption are all attributable to the absence of effective citizen involvement in the definition of the ethos and new policies for democratic South Africa. With this in mind, “we must ensure that never again shall the country surrender public values to the whims of politicians – regardless of party or the leadership thereof”. Thus, there are three key elements to our theory of change (groups are free to add or deepen the definitional clarity of these):

- If a critical mass of South Africans is ‘conscientised’, sensitised, activated, through a range of communication and public engagement processes – this will unleash agential action by a wide range of citizen groupings (National Convention of South Africa).
- As the values, standards and solutions are being developed and canvassed in society, practical activities of best practice should be rolled out for people to participate in the healing of their quality of life.
- The path of healing and reconciliation is integral to the transformation of society. Reconciliation is best understood as a process, and essential for its realisation is the healing of past wounds, restoration of self-worth and human dignity as owners of the democracy, strengthening social relationships, and addressing structural injustices.

Economic Transformation

These thought papers are in the full recognition that the four themes of the convention process are multi-layered and multi-faceted. They do not have a single surface nor do they have one solution. They are intended to address the diversity and multiplicities of South African human experience, and therefore they should be as inclusive as possible, while sustaining a clear objective. For this reason, an attempt has been made to break down each theme to a number of sub-themes that really require to have sub-groups of focused people to address their sub-theme. In the case of Economic Transformation, there are there are seven (7) such sub-themes:

1. Women Economic Participation
2. Youth Economic Participation
3. Land use and spatial application
4. Challenge of Financialisation of the SA economy & macro-economic models
5. Role of state pools of capital
6. Regional economic integration (Southern Africa)
7. Strengthening the South African green economy for Ecological Sustainability

PROPOSED TITLE OF SUB-THEME: STRENGTHENING THE SOUTH AFRICAN ECONOMY THROUGH THE GREEN ECONOMY

Pooven Moodley

(Sustainability and economic freedom for all)

Key focus issues to address:

1. Opportunities presented by the green economy to reduce inequality, end poverty and reduce unemployment
2. Jobs in a just energy transition from a fossil fuel based economy to clean energy
3. Community ownership of productive assets
4. Accessibility of clean energy
5. Sustainability in a country of finite resources
6. Women and the Green Economy: Owners of productive assets, jobs, leadership, safety

Sustainability

- Integration of solar and wind
- Total independence from fossil fuel through a just transition
- Making efficient use of land
- Alternative and sustainable skills and jobs within the energy sector
- Local community ownership of assets and means of production

Community ownership

- Energy literacy
- Ownership of Charter
- Free Prior Informed Consent by communities
- Communities taking the lead in production and service
- Communities leading in decision making and control

Accessibility

- Free electricity access for all, clean, locally driven, transparent roll out for those in energy poverty
- Access to information
- Affordable energy solutions
- Prioritisation of access for health, education and community amenities for broader public good safety

- In line with Section 24 of the constitution: Everyone has the right —to an environment that is not harmful to their health or well-being; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures.
- Holding government and companies to account for past energy choices
- Updates and information on present and future status of environmental impacts.
- Government and Private Sector companies are held accountable and are responsible for abandoned and closed mines
- Energy choices that prevent water, air and ground pollution
- No investment in new fossil fuel enterprises and speculation o prices
- Control and ownership of land above and below where there are minerals must be for the benefit of communities
- Renewable energy sources for all aspects of households
- Information must be produced in all relevant languages based on the communities involved.

Just Transition

- Skills development for alternative jobs in the clean energy sector which are safe and where there are equal opportunities
- Working with unions around the transition and ensuring there is solidarity with a range of stakeholders
- Open and flowing information between union and communities and communities and unions.
- Climate jobs are prioritised over broader green jobs
- Rolling out integrated systems in houses
- Movement building as part of a just transition. Each one teach one and using all forms of media.

Women and the Green Economy: Women and Youth

The second wave of liberation must ensure a social compact that no-one is left behind, especially women. Youth, rural communities, the informal sector, subsistence farmers and small entrepreneurs are key to the Green Economy. We must reimagine, redesign and reorganise this future. The current economic system is hierarchical, patriarchal and brutal to women. Gender parity and equality and inclusion of youth especially from rural areas must be a foundation of shaping the solidarity and wellbeing economy. It will create value and restore the principles of a nurturing, caring and compassionate society by creating the material conditions for an empowering politics and a more just society in which there is harmony and balance between humanity and the rest of life on Earth. This provides an opportunity to redesign with women owning productive assets, equality in the workplace and a rebalancing in terms of the unpaid care work.

Notes

The fact that the so-called “mineral-energy-complex” (MEC) that constituted the core of the apartheid economy remains largely intact remains one of the major challenges in the democratic era. Very little has been done to change this, other than emphasize the need to transform the racial composition of the mining sector. This has succeeded to some extent, but the basic economic structure remains intact.

The domination of the MEC and the “financialisation” of the economy during the post-1994 era explains why it has been so difficult to diversify the South African economy. Diversification via the expansion of the light manufacturing sector and the multiplication of small- and medium-sized enterprises in all sectors holds the key to the building of an inclusive wellbeing economy.

Although coal was the energy source that powered the construction of Africa’s largest economy; the MEC was built to facilitate the extraction and use of coal. Coal-fired power is now double the price of renewable energy. The renewable energy sector is the fastest growing non-services sector in South Africa. It has created new decentralised socio-technical infrastructures in the small towns across South Africa, thus triggering mini-economic booms in these locales. The CSIR has predicted that renewables can meet 90% of South Africa’s energy needs. Instead of reinforcing the highly centralised MEC, renewables have the potential to create the energy foundation for a completely new job- and livelihood-creating local economies.

It is recognised that climate change is going to cause serious disruptions and it is necessary to be prepared for this. This will entail both mitigation and adaptation measures. Mitigation measures will mean transitioning to a lower carbon economy by growing the renewable energy sector. This makes sense because renewable energy is cheaper and there are major international funds that can be tapped. Adaptation will mean preparing for major shifts in the weather, with implications for water supply. The recent drought plus the water crisis in Cape Town are warning signs for what can happen. Climate change is also going to exacerbate the challenge of in-migration from other African countries. Furthermore, it needs to be accepted that traditional linear growth models will need to be adapted to the new conditions created by climate change.

The Green Economy provides an opportunity to move away from focussing on capital intensive usually subsidized large-scale industrialisation programmes to supporting small scale community owned projects that will ultimately contribute to reducing unemployment and therefore poverty. It provides an opportunity to challenge a patriarchal society and economy and ensure women own productive assets and play a leading role in the new economy.

THE ROLE OF THE STATE IN ACHIEVING ECONOMIC JUSTICE

Neil Collman

Key focus issues to address:

- Budget justice, progressive taxation and redistribution
- A macro-economic policy for development
- A jobs-rich industrial and economic diversification strategy- going beyond primary commodity extraction
- Ensuring affordable finance for development, and acting against capital flight, and hoarding of assets
- Directing public sector investment, and regulating private sector investment, for development
- Harnessing state owned enterprises and DFIs to improve people's lives- beyond state capture
- Tackling systemic issues reproducing public and private sector corruption; and cultivating integrity in the public and private sectors
- Promoting a social and co-operative sector, and township and rural economies
- Building economic and social infrastructure which overcomes the apartheid social and economic legacy
- Promoting innovation, research and development, digital infrastructure to reposition our economy, and ensure a just transition to the 4th industrial revolution, and the green economy
- Establishing a social wage (quality affordable public services) and comprehensive social protection (including the adult unemployed)
- Fighting income inequality, regulating wage differentials, raising incomes and domestic demand
- Industrialisation and development of the African region
- Building an active capable state which intervenes strategically.

Produced for the National Convention of South Africa.



Visit: www.nationalconventionofsouthafrica.com

Follow on Twitter: [@ConveningSA](https://twitter.com/ConveningSA)

Like us on Facebook: <https://www.facebook.com/ConveningSA>

ConveningSA is an initiative of the South African Council of Churches.



Visit: www.sacc.org.za

Follow on Twitter: [@OfficialSACC](https://twitter.com/OfficialSACC)

Like us on Facebook: <https://web.facebook.com/South-African-Council-of-Churches->