

COSATU rejects the Cape Chamber of Commerce's regime change call but we also denounce government's incompetence and mediocrity

The Congress of South African Trade Unions has noted the call by the Cape Chamber of Commerce for the president and his cabinet to resign and for national general elections to be held as soon as possible. We agree that the president needs to step aside but we reject the call for special national general elections. We believe that this call corroborates the federation's assertions that some anti-Zuma calls are actually targeted at the ANC as an organisation. This is why we believe that the regime change agenda is in full swing and that participating in protests organised by the opposition parties is tantamount to helping them launch their 2019 Elections campaign.

COSATU's call for President Jacob Zuma to stand down is actually meant to save the ANC from a possible electoral defeat in 2019 and is not motivated by any agenda to help unseat the ANC. The federation believes that the ANC needs to prove to the people of South Africa that it has not lost its vocation for greatness and can still be trusted to lead society. We cannot afford to have the convoy move at the speed of the slowest ship.

Economic Downgrade will affect the poor

COSATU also condemns all those from both the ANC and its government, who have been downplaying the effect that the country's economic downgrade will have on the poor. The poor will be most affected by the economic downgrade and we reject any gruesome posturing and gravely retarded reasoning from some ministers and political leaders, who spout nonsensical statements for easy applause in front of credulous audiences.

It is outrageous that some people in government positions and leading our State Owned Entities are alleged to have said that they are not bothered by the collapse of the currency and by an economic downgrade. While these kinds of economic illiterate statements are unacceptable and outrageous, we are not shocked by such verbal infelicities coming from the creatures of bombastic nonsense, who thrive on any applause that can be easily procured through flippant name calling and facile crowd pleasing.

This economic downgrade is a big deal for COSATU, which is first and foremost an economic entity with the responsibility to look after the interest of its members and the working class. We are worried because the junk status will have inflationary results as it would result in an increase in borrowing costs not only for government but across the economy. Currently South Africa owes more than 2.2 trillion rand which is more than 50.7% of the national income or GDP and pays R 160 billion per annum in interest payment, which is very close to what government spends on social grants.

According to the National Treasury the budget for 2017/18 totals R 1.56 trillion of which revenue covers R1.41 trillion. The remaining R 149 billion will be borrowed and an economic downgrade means that government will have to pay

higher interest rates to borrow money to repay its massive loans.

There is real possibility that SA government will be forced to further raise taxes to fund most of its spending. This unfortunately happens in the midst of a stagnant economy with high unemployment and a shrinking tax base. This country's economy is propped up by the retirement's savings of workers and an economic downgrade means that workers will definitely feel the impact on their lives.

This continuing downgrade by ratings agencies will result in interest rates going up and the value of the rand going down. The value is important because if the rand value of the dollar falls, we end up paying more because the current economic structure mainly relies on imports than local production and on exports of raw minerals and not labour intensive products. This prejudices workers because the money in their pockets loses value. This is so because one of South Africa's biggest imports is oil and workers will be confronted by this reality at their nearest taxi and bus rank when the price of going to work or sending their kids to school goes up. In 2016 imports of mineral fuels including oil amounted to about \$10 billion.

We want to remind all those, who are responding to the economic downgrade with flippant responses and a jeering tone that economies are made up of people and the price for getting economic relations wrong is calamity. It is silly for people to call themselves radicals committed to economic transformation, while at the same time are abandoning the concept of freethinking. The slip of reason brings forth monsters

Cde Chris Malikane at Treasury

COSATU has also noted that Finance Minister Malusi Gigaba is currently holding talks with former COSATU Economist Cde Chris Malikane to join the National Treasury and none of us will quarrel with that. We have long said that the best way to transform Treasury is to bring in some progressive economists and economic thinkers to temper the hard-line neoliberal culture of that institution. The National Treasury is currently dominated by free market acolytes and true believers, who care very little about economic transformation. We would like to see more progressives joining the National Treasury if the institution is to be transformed. They should work to do away with the mechanisms of incremental or piecemeal reform that do not work.

Investigation of Sassa corruption allegations

We need an intelligent government and imaginative legislation that will pay serious attention to the needs of the workers and the poor and work to prevent an immoderate accumulation of riches by the few. To achieve that, we need to remove incompetent ministers and investigate corruption allegations. We are calling on the Public Protector to fast track her investigation of the corruption allegations surrounding the Minister of Social Development Bathabile Dlamini and her alleged interference at Sassa. We have previously said that the Sassa

matter smelled of corruption and we want to see the matter investigated and all responsible parties held accountable. This should be done without fear or favour.

Issued by COSATU

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