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**Speech to the Annual Summit Meeting of the National Economic
Development and Labour Council**

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African Trade Unions, representing the Nedlac Labour Constituency, on
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The world economic crisis and its impact on growth and development.

This Nedlac summit comes at a time when the world faces multiple crises. It is an extraordinary and perhaps unprecedented period. Never before in recorded history has there been such a convergence of crises and forces that threatened our future.

The financial crisis has triggered a global economic crisis, with spiralling unemployment and poverty. This, in turn is occurring in the midst of global climate change – the global warming crisis - that is heating the planet with unimaginable consequences. At the same time, the convergence of these crises is further compounded by the prospect of a worldwide food crisis and mass hunger and starvation. For us, in addition, is the energy or electricity crisis.

All these crises have their origins in a socially unjust and environmentally unsustainable model which endangers the capacity of our society to provide decent lives to the world's people.

This model has translated wealth creation into environmental degradation and concentration of income into the hands of a few. It has prompted a system where citizens have been turned into unsustainable consumers, and where unsustainable production models are taken as necessary “collateral damages” for achieving growth and development.

In many ways, the driving forces behind these convergent multiple crises can be traced not only to the global economy and prevailing system of industrial capitalism, but also to its governing institutions and their neo-liberal model of economic globalisation.

These institutions and a few powerful industrial countries have managed and governed the global economy primary in the interest of economically powerful. Their agenda of maximising profits through uneven and unlimited economic growth has benefited the multinational corporations at the enormous expense of both the people and environment.

Eminent persons including Professor Stiglitz have noted that the current financial and economic crises, which are now commonly compared to the great depression, are however in many ways more complex. They point to the fact that decoupling theory was proving itself to be a myth, as different markets worldwide were being affected.

The economic crisis is neither a natural catastrophe nor a problem created by the rotten United States housing market. The crisis is a necessary effect of 30 years of neoliberal policies. It is a result of internal contradictions in the existing economic

World society has at its disposal eminent persons lecturing us on what we should not do. We are warned that in responding to economic crises, wage deflation is not an option. Professor Stiglitz said that it would create a lack of aggregate demand. It would lead to mounting inequalities, as result of implementing policies that favour a weakening of trade unions rights, greater flexibility of the labour market and stagnant or declining real wages.

He warned against measures that go against the Decent Work agenda. Lowering wages and shedding jobs would only make matters worse. Strengthening the Decent Work agenda is therefore at heart of a successful recovery.

There is media frenzy about wage strikes, as either a rejection of the call made in the Global economic framework response, or a demand by workers on the Zuma government for pay-back. The Minister of Labour was spot on when responding to this. This is a collective bargaining season. In the process of negotiations, at times agreements are reached without industrial action but at other times strike or lockout comes to fore. Nothing is new and nothing unusual about that. Many agreements have been reached without invoking a strike action. We are aware that some business people take Minister Manuel's comments very seriously about being cowards and not standing up against unions.

What concerns us though, is the police brutality in dealing with strikes or protest action. This is not a new matter; COSATU had numerous discussions with former Minister of Police, Charles Nqakula, on the matter. The problem is the lack of skills in handling marches and strikes, the use of brutal force, and the lack appropriate gear to deal with strikes etc. Urgent discussion is needed so that we do not place or project the protectors of the society as enemies of the same people that they suppose to protect.

In our response to the economic crisis we should never compromise health and safety in our industries, especially the mining sector. It is a grave concern that there are so many fatalities in the mines. In fact one miner dies very second day.

We are confident that Nedlac has a bigger role to play in addressing these issues. We have the capacity and the political will, despite our different backgrounds. Government commitment to engage, and respect the Nedlac processes, is a huge encouragement to all.

In fact, the current global and investment system is at the centre of the storm of multiple crises converging upon the world today. No lasting solutions to these crises can be found without changing the neoliberal model.

Yet, instead of calling for fundamental change, most governments around the world are promoting false solutions. Liberalising and deregulating financial services will not secure people credit. Lowering tariffs further will not help feed the people who are hungry simply because it will destroy the livelihood of many farmers in the South. Lowering industrial tariffs and eliminating technical standards will not lead to job creation but instead it will enhance downwards spiral of social and labour conditions especially for women and poor communities.