

Opening address and political report of The President of the ANC, Thabo Mbeki, to The 52nd National Conference

University of Limpopo, 16 December 2007

Chairperson,
Comrades delegates,
Our distinguished international guests:

I am honoured to welcome you to this 52nd National Conference of the African National Congress on behalf of our National Executive Committee and in my own name.

I would like to extend a very warm and special word of welcome to our international guests, the observers from our sister parties and movements who have joined us to demonstrate their solidarity with us, to share their views and experiences with us, and observe our proceedings.

I would like to assure you, dear comrades and fellow combatants for progressive change, that we value your presence among us very highly and thank you for your acceptance of our invitation to attend this 52nd National Conference.

I am certain that as before, we will live up to your expectations by once again confirming the commitment of the ANC to the progressive agenda we share.

We are gathered here to discharge our responsibilities as delegates from the branches of our organisation and I trust we will do so sincerely and diligently, conscious of the historic obligation imposed on our movement to lead not only the membership of the ANC, but the entire South African nation.

And in everything we do over the next few days we should continue to sustain and demonstrate the understanding that characterises all members of our movement that the ANC was established 96 years ago to serve the people of South Africa, not our interests as members.

Among other things, this means that when we close this 52nd National Conference, we must be able to report to the masses of our people that we have taken all the necessary decisions focused on the acceleration of our advance towards the achievement of the goal of a better life for all.

We must take this opportunity to pay tribute to those of our leaders and activists, as well as our comrades-in-arms from the rest of the world who have passed away since the 51st National Conference.

These include, Comrades Walter Sisulu, Raymond Mhlaba, Wilton Mkwayi, Ray Simons, Adelaide Tambo, Eric Molobi, Dumisane Makhaya, Edgar Ngoyi, Norman Mashabane, Frans Mohlala, Yasser Arafat and many others. Once again, we thank and salute all of them for having dedicated their lives to the struggle for freedom and done what they could to help the peoples confidently to march towards a better life.

We are gathered in the Province of Limpopo in which lie buried two of our great ancient civilisations, Mapungubwe and Thulamahashe. We are blessed to be the descendents of the men and women who built these great civilisations and whose achievements should continue to inspire us to do what we should to ensure the renaissance of the African continent.

On behalf of our movement, I would like to thank the Vice-Chancellor, the entire staff, management, students and workers of the University of Limpopo, for hosting us and having worked hard to ensure that we are able to hold this 52nd National Conference of the ANC.

This university was originally established by the architects of the apartheid system as one of the institutions designed for the continuation of Bantu Education at the tertiary level.

However, from the beginning, the young African students at this university refused to succumb to the machinations of those who wanted to turn them into intellectual slaves ready to serve the white supremacists and help in the subjugation of their own people.

One such outstanding young leader of the time was Onkgopotse Tiro who defiantly confronted those who had arrogated to themselves the exalted position of deity unto whom the poor black masses were expected slavishly to bow.

The naked barbarism of the system we had to confront was starkly demonstrated when they, firstly expelled Tiro and some of his comrades from this institution and then followed him into exile, in Botswana, and blew his mortal body with powerful explosives, hoping that by so doing they would intimidate many, who like Tiro, had vowed never to betray the cause of freedom.

Indeed, many from that generation and others after them dedicated their lives to the struggle for the liberation of our country, joining this great movement of our people. As they discharged their revolutionary responsibilities some of these patriots paid the supreme price while others survived and continue, today, to engage in the new titanic struggle for freedom from hunger and freedom from poverty and underdevelopment.

These militant patriots were following in the footsteps of such indomitable giants that have led our movement over decades, as John Dube, Sefako Makgatho, Zacharias Mahabane, Albert Luthuli, Oliver Tambo and others. Visionary and forever committed to the cause of liberation, these leaders drew the quality of their leadership from the moral force of our movement.

Accordingly, the character of our movement at this juncture calls for a leadership seized with ethical fervour that defined the great traditions of our predecessors.

In this regard, our collective responsibility in this important gathering is to ask ourselves whether in the recent past our movement has not gravitated away from its moral axis on which have pivoted the leadership of Dube, Makgatho, Mahabane and Luthuli among others?

If so, what measures are needed consciously to restore the moral force of our movement so that, within the organisation and throughout all levels of the state our movement is inoculated from the insidious enticements of corruption, patronage and lust for power.

In this regard, the newly elected leadership, fired up with passionate selflessness and steeped in the vintage traditions of our movement, will bear the huge responsibility to catalyse our people's aspirations for a social order free of the trappings of poverty and the entanglements of racism and sexism.

As we meet here today we should all remember that history has imposed on the shoulders of our movement and therefore on this collective, the burden to lead all our people, whether they belong to our organisation or not. Accordingly, the eyes of millions of our people and many beyond our shores are fixed at this conference.

What do they expect! The most direct answer to this question is very simple. The people expect that we will continue to work to implement the decisions we took at the 51st National Conference in 2002. They expect that we will honour the commitments we made in our 2004 and 2006 Election Manifestos.

Conference will of course also look at the recommendations that came out of our 2007 Policy Conference and take the necessary decisions that will form part of our commitment to our people and the peoples of Africa and the world.

Before I proceed any further, I would like to remind the National Conference why I am standing here to address the National Conference. Rule 16.1 of the Constitution of our movement prescribes that the President shall "Present to the National Conference a comprehensive statement of the state of the nation and the political situation generally."

Accordingly, my task this morning is to present this comprehensive statement. For the obvious reason that we must report to the National Conference on the work that has been done since the last National Conference, this Statement, described in our Constitution as the Presidential Address, must reflect on what our movement has done to implement the decisions it took at the last National Conference.

When I delivered the Political Report at the 51st National Conference, I said:

"When the then President of our movement, Comrade Nelson Mandela, presented the Political Report to the 50th National Conference, he listed the areas that the Report had to cover.

"We would like to quote what he said because it is directly relevant to what this Political Report must contain. This seeming coincidence is due to the consistency of our policies and the uninterrupted continuity of our struggle to achieve the objectives spelt out in our documents on Strategy and Tactics and our resolutions.

"President Mandela posed the question - what are the matters that had to be dealt with - and answered as follows:

"The first of these is that - the principal result of our revolution, the displacement of the apartheid political order by a democratic system, has become an established fact of South African society.

"Secondly - the majority of our people have chosen the national liberation movement, led by the ANC, as the political force that should lead our country as it goes through its post-apartheid process of reconstruction and development.

"Thirdly - the challenges of creating a people-centred society, of living up to the vision contained in the Freedom Charter, requires that all elements of South African society be subjected to genuine reconstruction and development.

"Fourth - that process of reconstruction and development will also have to encompass the spiritual life of the nation, bearing on the moral renewal of individuals and institutions, as well as the ideas and practice of a new patriotism.

"Fifth - the success of our process of reconstruction and development will, to a good extent, depend on the peoples of our region of Southern Africa and Africa as a whole themselves achieving the same goals that we pursue, of democracy, peace, prosperity and social progress, within the context of an African Renaissance.

"Sixth - we have to succeed in our objectives in the context of an accelerated process of globalisation which is leading to a greater integration of the nations of the world, the limitation of the sovereignty of states and the enhancement of the disparities between the rich and the poor.

"Seventh - we have to construct our system of international relations in a manner consistent with our domestic programme of reconstruction and development and our vision of a world of democracy, peace, prosperity and social progress for all.

"Eighth - the objective of reconstruction and development cannot be achieved unless the ANC and the rest of the progressive movement of our country are strong and united around the realisation of clear policy objectives which actually result in reconstruction and development."

As the Conference knows, one of the strategic objectives on which the programme of reconstruction and development to which Nelson Mandela referred focuses is the struggle to extricate the masses of our people from the grip of poverty and achieve the objective we proclaim everyday - the objective of a better life for all.

In this regard I would strongly urge Conference to respond to the challenge that was posed to our movement in the July 3rd 2005 Declaration of our 2nd National General Council. The NGC said:

"This NGC believes that we have now entered a new phase of our national democratic revolution. The consolidation of political democracy, the growing electoral strength of and support for our movement, and the relative stabilisation of the economy have created a new set of opportunities and challenges for the cause of social transformation.

"At the heart of this new phase is the challenge of promoting and accelerating sustained development and shared growth, spearheaded by a democratic developmental state, guided and buttressed by an ANC-led popular movement and working in partnership with the people of our country. The consolidation of a united, democratic, non-racial, non-sexist South Africa requires, in particular, the marshalling of our resources and energies to overcome the challenge of persisting under-development, of a deeply polarised society and economy."

The outcomes of this National Conference must demonstrate in clear terms that our movement is ready and willing to respond to the "new phase of our national democratic revolution" identified by the NGC and sue to accomplish the goals it set. This is what the masses of our people expect. We dare not disappoint their expectations.

Among other things, the Resolution on Social Transformation adopted at the 51st National Conference says: "That the 50th National Conference at Mafikeng directed that redressing poverty and inequalities must be a central focus of the ANC to ensure that government and other sectors of society meet the basic needs of the under-privileged of our country.

"Our attack on poverty must seek to empower people to take themselves out of poverty, while creating adequate social nets to protect the most vulnerable in our society. A combination of policies around a social wage, social grants, as well as programmes aimed at engaging people in the reconstruction of our communities can make a meaningful contribution towards the eradication of poverty."

The Resolution on Economic Transformation said we must pursue the following objectives:

- "Faster, employment-creating growth based on higher and better structured investment;
- "More equitable ownership of productive assets as well as access to skills and infrastructure in order to empower Africans in particular, black people in general, women, youth and the poor;
- "A substantial expansion in employment opportunities and sustainable livelihoods;
- "Programmes to meet basic needs and alleviate poverty in ways that as far as possible expand domestic demand and increase productive employment; and,
- "Well-managed integration within regional and world markets."

We carried forward these Resolutions by using them to inform the Manifestos we presented to our people during the 2004 and 2006 General and Local Elections respectively. As Conference will remember, the slogan we used for the 2004 elections called for - "A people's contract to create work and fight poverty!"

I will therefore now proceed to report on the matter of the state of the nation with regard to the continuing struggle to defeat poverty, unemployment and underdevelopment within the context of the Resolutions adopted at our previous National Conferences.

THE STRUGGLE AGAINST POVERTY.

As we observed in the 51st National Conference in Stellenbosch, our movement has the appropriate policies to defeat poverty and underdevelopment and ensure a better life to all our people.

These policies clearly state that as we confront poverty and underdevelopment, we should, at the same time, empower our people so that they, themselves, should be their own liberators while creating adequate social nets to protect the most vulnerable in our society.

A central pillar of our National Democratic Revolution is our strong, sovereign economy, whose main objective is to eliminate poverty and radically reduce inequality. The major strategy to reduce poverty and inequality is to enable the economy to create jobs. These are the core values of the RDP and they remain the central tenets of the ANC's economic and social policies.

The Economic Resolutions of the 51st National Conference were reflected in the outcome of the Presidential Growth and Development Summit in 2003, in the ANC's election manifesto in 2004, and in the Accelerated and Shared Growth Initiative (AsgiSA) which was launched by government at the beginning of 2006, after extensive consultations within the Alliance and with our social partners. AsgiSA confirmed the election manifesto's commitment to halve poverty and unemployment between 2004 and 2014.

AsgiSA indicated that there were six constraints that needed to be addressed in order to allow for sustained growth above 4.5 percent up to the end of 2009, and over 6 percent on average between 2010 and 2014. The investment target rate is to increase investment as a percentage of Gross Domestic Product (GDP) from 15 percent in 2004 to 25 percent by 2014. Investment would have to increase annually by 10 percent to achieve this target.

Since 2002, the economy has grown at a gathering pace. In every single year, 2002 included, growth exceeded the 3 percent average growth rate of the first decade of freedom. Since 2004 the growth rate has been over 4.5 percent every year, including this year. This is the first time in South Africa's history that we have had four successive years of growth above 4.5 percent.

The result is that, so far, we have exceeded our AsgiSA growth target. It also means that real income per capita-our average income per person-rose from R29 000 per person in 2001 to over R35 000 per person in 2006. This is a sharp increase in per capita income. Per capita income had been rising at close to 4 percent per person annually since 2004.

It is not surprising therefore, that investment as a percentage of GDP has already risen above 21 percent from 15 percent in 2002. This is a result of fixed investment growing by well over the 10 percent AsgiSA target in recent years.

Government infrastructure expenditure and spending on preparations for 2010 have made a significant contribution. However, government investment, including the public enterprises, while higher than ever, is still only half as large as private sector fixed investment.

2010 related investments make up less than 10 percent of government expenditure. This indicates that our investment acceleration is not a 2010 based bubble at all-it is simply the most sustained, broadest and greatest investment surge in South Africa's recorded economic history, and it will continue long after the 2010 FIFA World Cup.

There are a number of reasons for our growing success in rolling back poverty-the most important factors are the increase in employment and the increase in social grants over this period.

In the 51st National Conference we agreed that macroeconomic stability was a key to our future. Since then we made enormous progress towards greater macro-stability. Government debt has fallen from around 50% of GDP to little more than 30% of GDP. We have moved from a budget deficit of 2.8 percent in 1999 to a small surplus of 0.6 percent in the budget year ending March 2007.

However, we have not done this at the expense of increasing public spending. Public spending has risen by around 9.4 percent in real terms annually for the past five years. This means that spending per person has grown at around twice as fast as the growth rate. And yet we have done this while reducing our government debt and the deficit.

The inflation rate since 2003 has been within the target range of 3% to 6%. While inflation is higher than it should be today, with CPIX at 7.3 percent, we should recall that at the time of the Stellenbosch conference inflation had shot up to 13 percent which forced the South African Reserve Bank to raise the interest rate to 17 percent. This puts the current interest rate of 14.5 percent into perspective.

Since 2002 we have implemented many of the reforms as directed by the 51st National Conference. The Competition Commission has engaged vigorously with cartels and monopolists in several sectors, including banking, steel and bread. Indeed, it is clear that our competition authorities do have sharp teeth and can bite.

Last year we implemented the widely acclaimed Consumer Credit Act, which is designed to protect consumers against unscrupulous lenders. We launched a new and radically redesigned Companies law for public discussion, and we are about to engage in a public engagement over a new draft, Consumer Protection Bill.

Skills training is very critical to our economy, in this regard, vocational training has improved with the full implementation of the SETA system, including the National Skills Fund, as promised in 2002. The quality of outcomes remains a problem in some SETAs, but in general industrial training has taken major steps forward.

The recapitalisation and new framework for the Further Education and Training Colleges has been another major step forward in the training of artisans and technicians. Universities were restructured in a challenging programme to remove apartheid inequities; we are now able to focus more attention on improving and expanding the university system.

The 51st National Conference agreed that we should strengthen our State Owned Enterprises where necessary. Undoubtedly, the condition and role of our State Owned Enterprises such as Transnet, SARCC, Eskom, ACSA and Denel has been hugely strengthened since 2002. They are now making a massive contribution to our economic development through their various investment and training programmes.

As we know, the state owned enterprises are responsible for a huge share of the major investments we are making in infrastructure and energy. We are also currently making very significant investments in public transport, in rail, buses and taxi recapitalisation.

Again, the 51st National Conference instructed us to strengthen our programmes for black economic empowerment and employment equity. Since we passed the Empowerment Act in 2002, we have introduced a wide range of empowerment charters and a definitive set of Codes of Good Practice. In different sectors the charters and codes have had a tremendous impact.

Employment equity improved from 19 percent to 27 percent for top managers between 2001 and 2005, but only from 25 percent to 27 percent for senior managers. Also, we find that private sector compliance with employment equity is disappointingly much lower than compliance in the public sector.

Black ownership of the economy as a whole remains very low; a recent survey put black ownership of the economy at about 12 percent, which is a considerable improvement since 2002 which was probably about half of that level, though we do not have good data for that year. If we take foreign ownership of SA based firms into account, black ownership might be about 15 or 18 percent of local ownership. While we are progressing, our rate of progress is unacceptably low, and we cannot take our eyes off the empowerment challenge.

The Financial Services Charter has been very successful in improving the access of ordinary South Africans to banking services. For example, the Mzantsi accounts have been extended to 4.2 million previously unbanked South Africans.

As far as the empowerment of women is concerned, we have not made as much progress in the economic sphere as we have made in the political and legal spheres. Nevertheless, it was heartening that South Africa was rated at 20 out of 128 countries measured for gender equality by the World Economic Forum. This put us well ahead of countries such as the United States (31), France (51), Italy (84) and Japan at 91.

In another important development since 2002 we have rewritten our cooperatives legislation and we have set up machinery to support the establishment and growth of cooperatives. Progress has not been rapid, but we continue to explore how to support cooperatives and other forms of alternative enterprises more effectively.

In the sphere of local economic development, our biggest step forward has been that we are now improving the alignment of the Integrated Development Plans at the local level with the Provincial Growth and Development Strategies and the National Spatial Development Perspective.

This is steadily leading to better decision making for economic development at the local level and consequently better outcomes.

We have also developed a framework for important interventions in the second-economy.

These interventions, which include an accelerated Public Works Programme, have been completed and presented to the July 2007 Cabinet Lekgotla. They are currently being incorporated into Government's Comprehensive Anti-poverty Strategy. Further work is being done to increase the scale of the interventions.

Consultations among Departments on product procurement from small enterprises have been concluded. The aim in this regard is to strengthen micro-enterprises' ability to transact and negotiate with larger firms through supporting the creation of marketing cooperatives and trading associations.

We have seen some significant progress in microfinance provision. By the end of March 2007 SAMAF had R69.9m committed funds to 39 institutions and had disbursed R13m (R9m for on-lending and R4m for capacity building).

Through its on-lending SAMAF estimates that it has reached 2 000 micro-entrepreneur borrowers, and that 13 000 savers have also been helped using R4.8m in building systems within intermediary institutions.

A total of 18 500 clients have benefited from disbursements since the fund's inception. Khula has secured the commitment of the top four banks to sign a revised Credit Indemnity Scheme.

Consultations with different departments regarding the standard definition of SMMEs are in progress. Meanwhile, the Department of Provincial and Local Government has developed a Local Red Tape reduction process instrument to deal with procedures to reduce the burden of municipal regulations on small and medium enterprises.

In the industrial sphere we have stood firm in our negotiations stance regarding the Doha Round of the World Trade Organisation. Along with our allies among the developing countries, we are clear about the fact that the Doha Round is truly a developmental round, and that the industrialised countries should not be allowed to continue to protect their agricultural markets as they were allowed to by the previous Marrakesh Round of international trade talks.

Nevertheless, we remain committed to the multilateral trade system and remain optimistic that the Doha Round will reach a satisfactory conclusion. At the same time, we continue to work towards economic integration in Southern Africa.

I do not have the time to go into details regarding all of our sectoral developments. Save to say that the economy is growing strongly on all fronts. As investments continue to rise in mining, manufacturing and services, the only truly disappointing sector in recent years has been agriculture. We must redouble our efforts to improve employment and competitiveness in our agricultural sector.

The adoption of the National Industrial Policy Framework and the Industrial Policy Action Plan have been major and positive developments and have led to coordinated government support for the development of key sectors.

We have already seen success in our industrial strategies for sectors like tourism and business process outsourcing, and we expect significant successes linked to bio-fuels over the next few years.

All of these sectors link strongly into the second economy. But we also have high expectations of first economy sectoral development, especially those sectors which are able to benefit from our major infrastructure investment efforts.

Generally, our performance has been strong and our prospects are even better. Our technology innovation to GDP ratio is rising and we are likely to meet our target of technology at 1 percent of GDP by 2008.

Foreign investment has been very strong, and we are proud that China's largest foreign investment is the 20% stake in Standard Bank bought by the Industrial and Commercial Bank of China. As productivity and exports are expected to continue to rise, we seem sure to meet our growth, employment and poverty reduction targets by 2014.

FURTHER WORK ON THE STRUGGLE AGAINST POVERTY AND UNDERDEVELOPMENT.

With regard to our work on social transformation, bringing a better life to all our people and pushing back the frontiers of poverty, we are the first to state that we are still faced with enormous challenges. Yet, at the same time, as far as the progress that we have made since 1994 is concerned, the facts speak for themselves.

When we speak about poverty we refer here to the various dimensions of poverty, all of which are equally important. These include income, as well as the social wage, such as housing, free basic services and education, these being services provided by the state and which are central to the improvement of the living conditions of our people.

In this regard, while there is still a lot of work to be done, given the entrenched nature of our poverty because of the many years of apartheid policies, we are however proud that we have begun a journey from which there is no turning back.

We all agree that combating unemployment is the central challenge in rolling back poverty. As directed by the 51st National Conference, we have, in the past five years tried hard to address this critical matter.

As a result, since March 2003 the rate of unemployment has fallen from 31.2 percent to 25.5 percent in March 2007. By March this year there were about 1.3 million more people employed in South Africa than in early 2003. This is the strongest employment creation performance we have had since 1994. We are of course the first to admit that more needs to be done.

A striking feature of our employment numbers is that essentially all of our increase in jobs since 2001 has been through the creation of jobs in the formal sector.

So, to a large extent, the type of jobs we are creating are proper jobs, under the scrutiny of trade unions and the state, covered by labour laws and safety regulations. And the quality of jobs has improved as the real wage grew by about 3.4 percent annually between 2003 and 2007.

Of course, as we know, even as we make these advances, we still have to contend with some in the private sector who think it is better for them to make maximum profits by exploiting our people through the labour brokers as well as the casualisation of labour.

We certainly still have a long way to go to halve unemployment between 2004 and 2014. This would mean getting the rate of employment down to 14 percent or lower. We are not there yet, but we are moving steadily in the right direction.

Poverty has also been moving in the right direction. Using a poverty line of R3 000 per year, the percentage of South Africans living below the poverty line fell from 51.4 percent in 2001 to 43.2 percent in 2006.

The poverty gap, which is the gap between the average incomes of those below the poverty line and the poverty line fell by about 20 percent between 2001 and 2006. The income of the poorest 10 percent of the population rose from R519 in 2001 to R734 (in constant rands) in 2006. This is a 40 percent increase in the incomes of the poorest 10% of our people in 5 years.

For the poorest 20% the increase has been from R758 in 1996 to R1, 051.

The Living Standards Measure (LSM) data indicates a reduction by about half in the number of people in LSM 1, the poorest group, and a significant reduction in LSM 2 and 3, the next poorest groups. It also indicates an increase in all other groups LSM 4 to 10.

If we look at issues such as asset poverty, we also find that it has declined since the mid-1990s. While the Human Development Index as measured by the UNDP declined somewhat over this period, this is a result of the weight of life expectancy in the HDI, and the fact that the UNDP uses a life expectancy measure that is somewhat out of alignment with that generated by StatsSA which is generally accepted in South Africa.

Again, if we measure the percentage of people who report that they sometimes, often or always go hungry, this fell from 24% of our people to about 13 percent between 2002 and 2006. The number often or always hungry fell from about 7 percent to under 3 percent over the same period.

Part of the improvement of the condition of the poor is due to rising employment, rising wages and tax relief for lower income earners. A significant part is attributed to the importance of social grants. 2 587 373 people were receiving social grants in 1999. Today over 12 million people are receiving these grants, partly because, as proposed in Stellenbosch, the eligible age for the Child Support Grant was raised from 7 to 14.

The increase is also the result of major efforts on the part of government to cover the many people that are eligible for these social assistance grants.

The establishment of the South African Social Service Agency reflected the commitment in Stellenbosch "to separate social security from social development and to build state capacity to deal with its responsibility for social development". The allocation of dedicated funding for the training of social workers addressed another aspect of this resolution.

The challenge of youth unemployment is daunting. In Stellenbosch we resolved to establish a National Youth Service as an instrument to address youth unemployment and poverty. More than 10 national departments are now at various stages of National Youth Service implementation. The economic measures directed at the youth include the Umsobomvu Youth Fund which has increased its reach among young people.

The inclusion of NYS under AsgiSA's Second Economy programmes placed the NYS high on the agenda of government. This has helped to increase the target for the number of participants from 10 000 in 2006 to 55 000 in 2007. Funding for the programmes comes from the National Fiscus.

While we have made significant progress in poverty reduction, the growth of incomes of the rich has also been rapid. The result is that, although poverty is significantly down, inequality remains very high.

SOCIAL WAGE - FIGHTING SERVICE POVERTY

Addressing incomes through wages and grants is central to reducing poverty. But just as important is access to social services and social infrastructure. The social wage, a principal component of the 'universal protection' in the comprehensive social security framework, focuses on efforts to address service poverty to ensure a better life for all.

Significant progress has been made in the provision of social wage as evidenced by the following gains:

The proportion of households who use electricity increased from 56% in 1996 to 80% in 2007. The proportion of households who have access to piped water in their homes or on site increased from 61% in 1996 to 70% in 2007. Households with access to flush toilets increased from 52% in 1996 to 60,4% in 2007.

The number of households living in formal dwellings increased from 69% in 1996 to 71% in 2007. More than R50 billion of assets, in the form of subsidised housing and land, were transferred to poor households in the period 1994 to 2003. Social wage benefits are progressive not only in relative terms but also in absolute terms. Using 2003 data (and Rand value), an HSRC study estimated that about 50% of this gross social wage value was directed at households in the poorest 40% of the population. Furthermore, the HSRC study reports that female-headed households, those comprising single women supporting children, and granny households, receive larger-than-average social wage totals.

One of the challenges that we confront is to ensure that housing development contributes to eliminating the spatial inequalities inherited from apartheid. The challenge is to build homes in convenient places, but also to help build communities.

We have also made progress with regard to delivering housing development close to economic centres for middle and lower income groups. This is facilitated by the co-operation between the South African Local Government Association, municipalities and the Ministry of Housing.

Further, we have transformed the National Housing Finance Corporation (NHFC) into a Housing Corporation that will provide finance to the poor and middle-income groups.

Work has been done to facilitate the release of the R42 billion committed by the financial institutions towards financing housing development and/or mortgages for targeted poor and middle-income groups, while ensuring that the remaining elements of the much-delayed agreement with the private sector on low-cost housing are finalised.

In this regard, the uptake of the Finance-linked subsidy, introduced in 2006, has been steadily increasing especially in mixed income developments such as Cosmocity and Olievenhoutbosch in the Gauteng Province, for example.

On the matter of delivery of rental housing stock for the poor, the relevant strategy is being finalised and currently 6000 units are being delivered per annum. We know this must be escalated considerably.

Further, we continue to improve the capacity of municipalities to meet the target of providing sanitation to 300 000 households per year and move to finalise the completion of the bucket system eradication programme.

We are on track to meet the targets on water, sanitation, electricity and housing by 2014 as well as meeting the millennium development goals.

Further, poverty alleviation through improved food security has been one of our key objectives in the fight against poverty.

We are already using Household Food Production Programme as part of a package of measures to improve food security among the poorest and vulnerable communities, targeting, in these areas, households, schools, and clinics and providing them with diverse agricultural production packages.

Strides have been made regarding the implementation of the National School Nutrition Programme, including social mobilisation for food gardens.

Progress has also been made to develop financing requirements for the farmer support programme - MAFISA. Against the target of reaching out to 2000 farmers, MAFISA loans amounting to R42, 2 million were disbursed to 5 211 farmers through participating Development Finance Institutions mainly in the Eastern Cape and Limpopo provinces.

The loans disbursed ranged from R2 000 to R100 000 per farmer at an average of R28 000. Work is in progress to position MAFISA as a revolving fund in MAFISA accredited participating institutions.

By April this year, 37 230 emerging farmers had received financial support through the Comprehensive Agricultural Support Programme (CASP).

In addition, we have revived agricultural state and state-supported community schemes to help communities sustain themselves.

With regard to the task of completing outstanding claims in the Land Restitution programme, the Commission is making progress in terms of settlement of the remaining 5 percent outstanding restitution claims and is committed to finalise these by 2008.

Particular attention has been paid to the matter of finalising the review of the willing-buyer willing-seller policy and land acquisition models, as well as possible manipulation of land prices. Importantly, work is in progress to regulate conditions under which foreigners buy land, including speeding up the resolution of remaining cases of land restitution programme.

EDUCATION AND TRAINING

Conference is also aware of the fact that our movement has also identified education and training as a critically important area on which we must concentrate as part of the process of the reconstruction and development of our country. Let me therefore deal with this matter briefly.

Illiteracy and lack of education in our society are acute challenges whose provenance goes back to the apartheid strategy of depriving black people of education and functional skills.

Accordingly, it becomes a matter of great concern to all of us when we learn that South African children are among the poorest performers with regard to reading skills. Our Ministers and the Department of Education are looking into this matter and other areas where our learners are not performing as they should.

School enrolment is high, and is now virtually universal at the primary level. The educator to learner ratio continues to improve - from 34:1 in 2004 to 32:1 in 2006. At the same time, there are schools, especially in the rural areas, that still experience unacceptably high levels of overcrowding, with some of our children still attending school in dilapidated and unhealthy buildings, as well as under trees. We must attend to this matter, not as part of routine work, but as an urgent challenge that needs extra-ordinary attention.

As we may have noticed, the average pass rate at the Matriculation level has risen from around 50 percent in the mid to late 1990s to 65 to 75 percent today. Yet, although we have made considerable progress, the challenge of continuing to improve the quality of education remains.

Work is underway to eliminate school fees in the lowest quintile. Consultations are continuing to increase this proportion to 60% in 2009. More work is also being done through the implementation of the National Strategy for Learner Attainment to stabilise the education system so as to ensure steady improvement in the Matriculation pass rates.

Targeted interventions in the key areas of Mathematics and Science have steadily been recording good progress. 529 Dinaledi schools have been targeted to double the Maths and Science higher grade graduate output to 50 000 by 2008.

Among other human resource development programmes, we have set our sights on the implementation of our improved National Skills Development Strategy.

Measures to recapitalise the Further Education and Training Colleges have been instituted and work is in progress. The first R500 million of the recapitalisation funds have been spent on infrastructure, workshops, classrooms and equipment. Another R500 million has been disbursed to accelerate the implementation of the training programmes. Clearly, all the necessary work must be done to ensure that the skills taught at the FET Colleges are relevant to the needs of the economy.

Further, more resources have been allocated to provide financial assistance to trainees in need of further education and training, significantly to increase the number of available artisans. The R1, 2 billion bursary scheme has been established and is administered by NSFAS. R66 million was awarded to 12 500 students on vocational programmes in 2007 and R124 million will be allocated to bursaries in 2008.

The challenge of improving cooperation and alignment of programmes between the Sector Education and Training Authorities (SETAs) and the FET Colleges as well as institutions of higher education is receiving continuous attention. Work on the conceptualisation and preparations for National Qualification Framework level 5 qualification is underway for implementation in 2010. Curriculum writing teams will be established based on a process of public nominations.

Another challenge has been to increase the output of universities in priority sectors by aligning The National Student Financial Aid Scheme and subsidy funding with scarce skills. For instance, between the financial years, 2007/08 to 2009/10, R439 million has been allocated to increase the enrolment and output of engineering faculties. These allocations are expected to lead to an increase in enrolment of 1800 students by 2010 and the production of 421 more graduates.

With regard to the challenge of increasing resource allocation for Research and Development and Innovation, and increasing the pool of young researchers, the Department of Education, working together with the Department of Science and Technology, is currently reviewing its policy on the allocation of research development grants in part to respond to the need to increase the production of new researchers and the next generation of academics.

There is no doubt that education and training and research and development are some of the critical areas on which we must concentrate over the next five years. We need to do this for a number of important reasons. One of these is reducing the high rate of youth unemployment. Another is improving the competitiveness of our economy in the face of the process of globalisation, among other things to ensure that we reduce the unacceptably high unemployment levels in our country.

Yet another is to ensure that we remain in step with other countries in the world in responding to the reality that new knowledge developed through scientific and technological research is a central driver of the contemporary process of economic growth and development.

HEALTH

The 51st National Conference also directed that, "We must continue to strengthen efforts to provide affordable health care for all, addressing several areas within the system, including the major causes of mortality, communicable and non-communicable diseases, quality of care, human resource development and public health issues."

This Resolution emphasises the central importance of the objective the ANC has set itself - the objective of affordable health for all. Accordingly, since the last National Conference work has been done to address the pressing matter of health promotion, reduction of the burden of disease and unnecessary death, as directed by that Conference.

In this regard, among other things, we have sought to enhance the promotion of healthy lifestyles and avoidance of risky behaviour, especially among the youth. An audit of existing health promotion programmes that impact on youth health has been undertaken.

As part of ensuring a healthier nation, there is, today, more focus on non-communicable diseases such as diabetes, asthma and hypertension.

Government's Comprehensive Plan to combat HIV and AIDS continues to be implemented, informed by an updated national comprehensive strategy. The number of patients on ARV's now exceeds 300 000.

Regarding combating Tuberculosis, particularly the response to Multiple Drug Resistant TB due to non-compliance, the Department of Health has developed a five year National TB Strategic Plan with key stakeholders. In this regard, 650 health care workers were trained on data collection tools to improve quality of TB data. We have also sought to reduce Malaria cases by 10% per year.

With regard to bringing about the reduction of the cost of medicines at retail outlets through use of medicine pricing regulations, the issue is unfortunately still subject to legal processes. While awaiting the outcome of this case and we will, as usual, respect the decisions of the court, while maintaining our commitment to affordable medicine for all.

Further to improve our public health system, various programmes are being implemented which include the further expansion of the health infrastructure, hospital revitalisation, the re-opening of Nursing Colleges, expanding training and employment of nurses, social workers and auxiliaries, increasing the number of training institutions, improving the quality of training, instituting a bursary system and continuing to improve the conditions of service of all health workers.

Given the critical importance of the importance of health with regard to meeting the challenge of a better life for all our people, especially the poor, National Conference will have to pay particular attention to this matter and ensure that we respond vigorously to the tasks identified by the 51st National Conference and any others we may isolate.

In this regard, we must openly accept the reality that as with many other issues on our reconstruction and construction programme and despite the advances we have made, we still have some way to go before we realise the goal of adequate and affordable health for all.

SAFETY AND SECURITY

One of the on-going challenges facing our country is the unacceptable levels of crime. This emphasises the continuing importance to focus on the issue of the safety and security of our citizens, which has always been one of our strategic tasks.

Because of dedicated work by many police officers we have seen that the recent crime statistics indicate a significant decrease in a number of crime categories, especially contact crime. The contact crimes that have gone down are murder, rape, assault and robbery with aggravating circumstances.

However, truck hijackings, business and house robberies, indecent assault, and arson have increased in recent times. Truck hijackings as well as business and house robberies are some of the most organised crimes in the country and therefore pose particular challenges to our law enforcement agencies.

To deal effectively with crime, it has always been necessary to have a full comprehension of the trends of the different types of crime. Accordingly, in the past five years the areas with the greatest number of violent crimes were identified as those that are poor and economically depressed. These areas, which account for more than 50% of violent crime in South Africa comprise only 169 police station-areas out of 1 136 police station-areas in the country.

The socio-economic profile of these areas is similar. There are few recreational facilities. Unemployment is high. There are many dysfunctional families. There are many shebeens and other alcohol outlets and the levels of substance abuse are very high. Therefore, the objective of our government's Integrated Socio-Economic Development Programme is also aimed at combating crime.

Further, as part of our efforts to ensure a more equitable distribution of resources between poor and affluent areas as directed by the 51st National Conference, the police have established an information technology based management tool that enables management effectively to monitor the performance of each and every police station in the country, including the important matter of ensuring that the 169 priority police stations in particular - and all other police stations - are provided with adequate resources, and further, that such resources are prudently deployed.

As part of the programme to inform and educate communities on how the integrated Criminal Justice System works, Ministers and the MEC's have engaged in Izimbizo in various parts of the country.

Further, partnerships with organs of civil society, such as the organised business and the religious leaders, have been entered into to raise awareness against crime and to determine any role these social partners could and should play.

New legislation that will govern the activities of the police service is being developed and is intended to serve before the National Assembly in 2008.

Among others, the draft Bill provides for the establishment of Community Safety Forums. This Bill is necessary because the current SAPS Act is still based on the Interim Constitution. As we will recall, this new Act was agreed at the last National Conference.

There are various continuing programmes that are intended to raise awareness against crime, including in particular against women and children, such as the 16 Days of No Violence Against Women and Children.

Other programmes are focus on our schools and include raising awareness against illegal drugs and substance abuse. As a consequence of intelligence and operational interventions, large quantities of illegal firearms and illegal drugs have been confiscated and destroyed.

At the same time, it is important to reflect on our own role, as the structures of the movement, with regard to this important matter of intensifying campaigns against crime, especially on the matters of illegal weapons, drugs, corruption, abuse of women and children and family violence.

We agreed that we needed to phase-out the commando units. Out of 183 commando units that were in existence, only 9 have yet to be phased out. The Protection and Security Services Division of the police was established and is fully operational. Apart from protecting critical infrastructure, it is also responsible for security in public transport, notably trains.

The Judicial Services Commission Amendment Bill that partly provides for the management of complaints against members of the judiciary has just been passed by Parliament. Similarly, the Judicial Education Institute Bill which provides for matters related to the training of judicial officials has been passed by Parliament.

Some work is still being done with respect to the re-alignment of the jurisdiction boundaries of all the courts. This is intended, in part, to ensure alignment between judicial and municipal boundaries.

A White Paper on Correctional Services has been developed and approved and at its core is the imperative to rehabilitate inmates. At the centre of this focus is the intention significantly to reduce recidivism, and working with families, communities and society as a whole, improve the social reintegration of offenders who have served their sentences.

In this regard, work is proceeding to ensure that the Department of Correctional Services possesses the requisite skills and resources to attain the stated objectives. This includes the construction of new facilities designed to assist in the rehabilitation of offenders.

To deal with the challenge of child offenders, particularly sentenced children, some state properties have been converted into secure care facilities.

Further, a review of the regulatory framework for the private security and intelligence entities is being carried out, giving due regard to various imperatives - the privatisation of war and conflict; the activities of some of these entities within South Africa and their clear intentions and capacity to destabilise national security and stability; the clear destabilising activities of some of these entities within the region; and international experience.

A programme of action is currently being implemented to ensure that the intelligence agencies of the state have adequate capacity in both equipment and well prepared personnel.

The South African National Defence Force (SANDF) continues to fulfil its responsibility of protecting the territorial integrity of the republic. In this regard, other capacities of government, notably the diplomatic, law enforcement and intelligence entities, also play a crucial role. The SANDF has embarked on a training programme that targets the youth, ensuring that these new recruits have the requisite skills.

With respect to providing training and development of former members of the liberation movements as well as ex-SADF personnel, the Department of Defence has established the Centre for Advanced Training. It is intended that every year one thousand members will receive training from these facilities. A Public Works Regiment has also been established which, among other things will enable former members to be contracted to maintain certain infrastructure of the Department of Defence.

As National Conference is aware, one of the challenges facing our people has been unsatisfactory service from some of the Home Affairs offices with regard to important personal documents as well as fraudulent activities that affect many citizens. The activities constitute a serious threat to our national security.

To respond to all these challenges, Home Affairs is under-going important transformation to eradicate corruption and ensure that all its offices and workers provide efficient services to the population. The Immigration Act will also be amended further to streamline our immigration policy. The department will also strengthen its cooperation with the SAPS and our intelligence agencies.

Because of the imperative for us continuously to improve the safety and security of all our citizens, our Government has also completed a Review of the Criminal Justice System as a whole. This was done to respond to the need we have continued to address for some time - the need to ensure the effective integration of the System.

The Review focuses on this matter, addressing the steps we must take to ensure proper coordination between the Police Service, the National Prosecuting Authority, Correctional Services and the Justice Department. It also speaks to such important issues as better planning, better resource management, more effective use of modern technologies, improved training, and a better structured remuneration system. It also addresses the important issue of further strengthening the Community Safety Forums to improve community involvement in the fight against crime.

As one of our newspapers (the Sunday Independent) correctly reported, the proposals made in the Review aim for "quick, equitable and fair criminal justice that has the confidence of the public and impacts massively on crime."

SPORTS AND RECREATION.

As we resolved at the 51st National Conference, the ANC and government must also give leadership in the area of sport and recreation, especially with regard to community development and ensuring that young people engage in sport as part of our moral regeneration programme. This includes school sport, promotion of sport to all our youth and among people with disabilities.

Since that conference, we were honoured by being chosen to host the 2010 FIFA Soccer World Cup and a lot of work has already been done to ensure the all-round success of this first ever Soccer World Cup to be held on the African continent.

We have the responsibility to ensure that we use the 2010 World Cup to bring about far-reaching developments in our sport, in terms of infrastructure, the improvement and development of individual sportspeople, and ensuring better efficiency and professionalism in the administration of sport.

Further, let me take this opportunity, once more, to congratulate the Springbok Rugby Team for winning the Webb Ellis Rugby World Cup and making South Africa proud. All the sporting people of South Africa should emulate this example and hoist the flag of our country high in international games.

At the same time, we should ask ourselves whether we have done enough to engage young people in sport meaningfully, especially those from poor areas.

The answer to this question will obviously be - no! Part of the problem is negligible investment in sport facilities in the townships and rural areas. As a result, many young people do not engage in sport, resulting in some of them being easily drawn into anti-social activities, including crime.

Further, schools in the townships and rural areas now play less and less sport than in previous years. The ANC should examine this matter and the Resolutions we adopt should provide a roadmap so that we attend urgently to this matter.

NATIONAL AND SOCIAL COHESION.

Naturally and correctly, our movement remains preoccupied with the important issue of national and social cohesion. This is a critical part of our continuing struggle to eradicate the legacy of colonialism and apartheid which continues to divide our people. We must therefore include this issue in this review of the state of the nation.

The question persists whether we have done and are doing enough, as the ANC, government and all sectors of our nation, to bring into being a unified and common South African identity. While we cannot decree the emergence of this identity, all of us have to work hard among other things to promote the various symbols that are critical to the evolution of a common identity.

These symbols include the flag, the national anthem, the national orders, the coat of arms and others. When we met at the 51st National Conference, we had already constituted the first three of The System of National Orders as follows:

- The Order of Mapungwubwe;
- The Order of the Baobab and;
- The Order of the Companions of OR Tambo.

Subsequent to this, in 2003, three additional Orders were launched. These are:

- The Order of Luthuli;

- The Order of Mendi for Bravery and;
- The Order of Ikhamanga.

As we have said before, the system of National Orders is designed to contribute to Nation Building, Community Building and the Enhancement of National and Social Cohesion. Each has its particular symbolic significance. So far, we have honoured a total of 286 South Africans and foreign nationals who have contributed to our own liberation and to a better world.

Clearly, the issue of national symbols is very important to any nation. Indeed, many South Africans were moved, not only by the way in which the Springboks team won the Rugby World Cup, but also by the manner in which they sang the national anthem - with passion, emotion and enthusiasm.

By so doing they helped, in no small way, to unite our people and ensure that many are proud to be South Africans. We hope that other sporting codes, such as soccer, will learn from the Rugby team both with regard to the passion when it comes to our national anthem as well as their commitment in the field of play.

The national identity to which we are referring is not just about national symbols, but also about the morals, values and ethics of society. It attaches to a proud nation.

It is therefore important that our media, especially electronic media, as well as cultural artists make an extra effort to promote more of the educational and inspirational cultural items and impress on the young artists, particularly singers, that they have an important role to play in helping to build the new South Africa.

This matter of self-image also manifests itself in the Freedom Park Monument currently under construction, which will serve as a great tribute to our struggle for freedom but also to the dignity of our people and all human beings.

As we evolve a common national identity, an on-going challenge is that in everything we do, we should consistently seek to bring about an integrated society free of racism and sexism. This means that the greater the progress we make in terms of eradicating the socio-economic legacy of the racist past, the closer we will get to achieving the national cohesion we seek.

In this regard, we must continue firmly to oppose the wrong and self-serving suggestion that racism and racial discrimination are no longer among our challenges. This includes the agitation that we must abandon our affirmative action programmes. The reality is that we still have some way to go before we meet the objective prescribed by our National Constitution, the transformation of ours into a non-racial society.

To encourage South Africans to be proud of and easily identify with their country, thousands of flags now fly at our Schools, Government buildings, museums, etc. and a Draft Pledge and Bill of Responsibilities is being finalised.

Our efforts to ensure that all our people feel and identify with being South African should include an abiding respect for and promotion of all our languages, cultures and religious beliefs. We should continue to encourage each and every South African to learn languages other than their own vernacular and be tolerant of other people's traditions and cultures.

An important part of the challenge of national identity is the matter of place-names. We need to assert the fact that South Africa is an African country with an identity other than that imposed by colonialism and apartheid and that this should be reflected in the geographic names.

At the same time, while the geographic names should reflect the fact that we are not a colonial outpost in the southern tip of Africa, we should take into account our historical reality, which has blessed us with a diverse population.

Nationwide Public Hearings on Standardisation of Geographical Names will be held in due course and I encourage members of the ANC and our allies to make their inputs into this process.

We are also finalising the strategy and programmes to address matters that relate to social cohesion. A Community and Social Mobilisation Tool that addresses social pathologies that threaten the building of cohesive communities is being implemented. An Audit and Impact Study covering all government programmes is also underway.

The Truth and Reconciliation Commission unit is currently working on a proposal to conduct a needs assessment into all the communities identified as having being affected by human rights violations. This will assist in drafting a Community Rehabilitation Policy, so as to comply with the recommendations of the TRC.

ON WOMEN

For many decades now, our movement has recognised and acknowledged the fact that the emancipation of women and gender equality are one of the defining features of the National Democratic Revolution.

The 51st National Conference reaffirmed the important matter of focussing on the challenge of the eradication of gender oppression and discrimination. It directed us to "design a comprehensive strategy on our programme to build a non-sexist society and provide for the integration of gender in all aspects, policies and programmes".

Further, the Conference instructed that "the one third representation of women in all structures of the movement should be seen as a minimum, to be progressively increased in order to match the demographic profile of SA, coupled with political education and capacity building". We have, in the last five years worked hard to respond to the directives of our last National Conference and both the ANC and government have been at the forefront of the struggle for gender equality.

Government has already introduced a system through which gender representation targets and content of programmes have become part of the core performance criteria of every government institution and manager.

We are happy that both in the private sector and civil society this important matter of gender equality has begun, at least, to form part of their programmes. Yet, the private sector in particular still has a long way to go to ensure better representation of women on the boards of the majority of companies as well as in management positions.

Although more work should still be done, we are happy that our Parliament is ranked 10th out of 130 Parliaments in the world in terms of women's advancement in governance. Approximately one third of Members of Parliament are women; 43% of members of Cabinet are women; and four of the nine provinces are led by women Premiers.

At the local government level, 40% of Councillors are women and three of our six metros are led by women Mayors. In this regard, we have already surpassed the initial target of 30% representation of women in decision-making structures called for in the SADC Declaration on Gender and Development. But clearly we now need to gear up to meet our new target of 50 - 50 representation, which is also mandated by the African Union.

At the same time, the private sector has to do more to address this important matter. At the moment, as reported by a recent study by the Nedbank/Businesswomen's Association SA, Women in Corporate Leadership Consensus - women constitute 19,2% of executive managers and 13,1% of directors of the 372 companies surveyed. However, considering that 42,9% of the working population is female, these figures still leave much room for improvement.

Our 2007 Policy Conference presented two options regarding the best way to take the issue of gender equality forward, especially in terms of active ANC policy.

The first option was about the establishment of a Ministry for Women as soon as possible. The second option called for a thorough assessment of the current instruments meant to deal with women's issues to evaluate their institutional impact and to advise on the form and content of the institutional mechanism to be put in place in pursuance of women emancipation and gender matters in general for consideration at this National Conference.

In the meantime we have sought to intensify the struggle against rape, sexual abuse and domestic violence. Among other things, this has resulted in the increased number of reported cases and conviction levels of this category of crime.

At the same time programmes have been instituted focussed on the all-round training of all those deployed in the Police Service and other areas of the criminal justice system, coupled with the provision of the required resources, together with the mobilisation of communities and ensuring close cooperation between our communities and the police.

Because reports indicate that most cases of rape happen between people who know each other, it is clear that our communities must take a more active role and lead in the fight against this heinous crime.

Critically, continued acts, practices and attitudes that demean the lives of women constitute an indictment on the conscience of society in ways that undermine our freedom and democracy and further serve to question our collective credentials as fighters for and upholders of human freedom. All of us need to understand this very clearly that the struggle to defeat patriarchy is a central and integral part of the National Democratic Revolution.

Part of the challenge around the matter of the emancipation of women is the plight of the most vulnerable of women. These include domestic, farm and casual workers among others. We therefore continue to face the challenge of the feminisation of poverty.

It is imperative that we ensure all our anti-poverty programmes, which include education, training and employment creation, rural development and the development of SMMEs and cooperatives, the Expanded Public Works Programme and the extension of the social wage to reach all the poor in our country continue to pay the necessary attention to the upliftment of women. Similarly, as we work to ensure the implementation of such legislation as the Employment Equity Act, again we must pay particular attention to the improvement of the condition of the women of our country.

We are therefore happy that the Presidential Working Group on Women has decided to launch a retirement fund for women, starting with domestic workers as members.

Their intention is to include women farm workers and domestic workers as important members of this fund. Clearly, we need extra-ordinary measures, such as this retirement fund to empower the most vulnerable in our society.

We must also take this opportunity once more to congratulate the Women's League and other formations of women for the successful establishment of the Progressive Women's Movement and wish this

Movement success when it hosts the forthcoming Conference of the Pan African Women's Organisation, PAWO. We must also salute the establishment of SAWID, South African Women in Dialogue, and other women's organisations.

This National Conference must also express itself clearly and unequivocally against the persistence of sexism and patriarchal attitudes and practices both within the ANC and the rest of the democratic movement. We must also take the necessary decisions to ensure that uproot these attitudes and practices in our movement as a critically important part of ensuring that we remain a revolutionary movement that has the authority to lead the National Democratic Revolution.

ON THE YOUTH

None of us needs to be reminded of the central task of the National Democratic Revolution to ensure the development and empowerment of our youth. We know this very well that our movement and the revolution we lead have an obligation to prepare a better future for the youth of our country.

The 51st National Conference resolved that the ANC "should pay urgent attention to the implementation and monitoring of youth programmes; (that) the National Youth Service Program must be speedily implemented .and an integrated sustainable youth economic participation strategy be developed and implemented."

On the government side, many of the programmes of government also target, specifically the youth. However, while all spheres of government have integrated youth programmes in their work, more work needs to be done to achieve higher levels of integration.

Among the various programmes targeting the youth, we are also intensifying a campaign to link up unemployed graduates with economic opportunities. For this reason, a Jobs Database has been established. Already there are unemployed graduates that have registered and a number of them have found employment.

As we said earlier, the National Youth Service Programme is equally receiving priority attention as part of a combination of measures to address the challenges facing the youth.

Accordingly, we continue to work to intensify our efforts to integrate youth development into the mainstream of government policies and programmes, within the framework of the National Youth Policy, which is currently being revised, under the leadership of the National Youth Commission.

In order strategically to locate Youth Units and Directorates in such a manner that Directors General, Heads of Departments and Municipal Managers take direct responsibility, the National Youth Commission is in the process of analysing data extracted from a completed audit and preparing recommendations to improve the performance of government in youth development and empowerment.

To facilitate access to further learning and other development opportunities for the youth, more focus has been planned on increased youth participation in the ABET Programmes.

We are also working to strengthen the capacity and diversify the products and services of all the 120 Youth Advisory Centres to include business support services, employment services, access to micro finance and career information, as well as reach out to at least half a million young people.

Our movement has expressed concern about the demobilisation of young people in many critical facets of our socio-political life. As a response to this, we are working to enrol 30 000 volunteers in various community development activities as well as increase youth participation in national programmes that enhance social cohesion.

As part of the strategy to fight poverty and unemployment we have set ourselves an objective of employing 5 000 young people as part of the Expanded Public Works Programme in the maintenance of government buildings. In this regard, approximately 539 unutilised properties have already been identified for rehabilitation.

Earlier we reflected on the programmes we are implementing in the areas of education and training, economic development, sport and recreation, and others, all of which are of particular importance to the youth.

The revised National Youth Policy must help us further to improve our response to the challenge of youth development and empowerment. Our movement must play its rightful role in ensuring the determined implementation of this Policy.

STATE TRANSFORMATION AND GOVERNANCE

Our movement remains committed to the further construction of ours as a developmental state. We have therefore paid continuous attention to the task of improving our system of governance to ensure that it plays its required role in the process of the reconstruction and development of our country.

At the 51st Conference in Stellenbosch we noted that the consolidation of our democratic order requires the acceleration of the process of transformation of all the institutions of governance in our country so that they become efficient organs of service and infrastructure delivery and are better able to help entrench a culture of human rights and democracy in our land.

In the last five years we have therefore continued with the critical matter of the transformation of governance in all the spheres of our government in order to meet the needs of a developmental state and to improve the capacity of the state to deliver services to our people.

Over the past five years, we have among other things ensured that the salaries of the public employees and their conditions of service are improved; and that we continue to work hard to attract and retain skilled personnel in the public service.

We have also introduced a system of monitoring and evaluation of the implementation of government programmes affecting the three spheres of government. Most departments at the national level have already established strong monitoring and evaluation units and work is underway to build this capacity in our provinces and municipalities.

One important area that requires close monitoring is the progress that government in particular is making in transforming its structures to become more representative in terms of gender and people with disabilities.

While we have made strides over the past five years since the National Conference to appoint more women into the public service, we have not as yet met our equity targets as far as gender, at senior management, and disability are concerned.

Further, our Parliament passed the Intergovernmental Relations Framework Act which has since ensured better and integrated coordination as well as improved intergovernmental engagements by the three spheres of government.

We have also seen improvements in the alignment of planning across the spheres of government. Significant progress has been made in the work to improve the quality of municipal Integrated Development Plans (IDPs) in order to make them credible and implementable.

Work is also continuing to ensure that the Integrated Development Plans, the Provincial Growth and Development Strategies (PGDSs) and the National Spatial Development Perspective (NSDP) are always properly aligned.

Importantly, the re-casting of government relations as well as the manner in which the state is organised is to ensure that there is greater coordination and integration in our work so as to ensure a seamless delivery of services to the people.

During the course of next year legislation on the Single Public Service will be tabled in Parliament.

We are also implementing various programmes to strengthen the capacity of our municipalities. The introduction of Project Consolidate has seen many experts deployed to different municipalities to provide hands-on support.

The Siyenza Manje programme run by the DBSA in partnership with the South African Institute of Civil Engineers (SAICE) has also contributed to the number of experts deployed to municipalities.

Experience from Project Consolidate as well as feedback from the Imbizo campaign resulted, among others, in the adoption of the Local Government Strategic Agenda for the period 2006-2011.

This Agenda will ensure hands-on support for local government with a view to improve governance, performance, and accountability; it will address the structure of governance arrangements and help refine and strengthen the policy, regulatory and fiscal environment for municipalities.

To promote participatory democracy, we have established Ward Committees in our municipalities so that our people can interact with their representatives at the ward level.

Since the 51st Conference, the Imbizo Programme has become an essential part of government, through which all spheres of government and ANC public representatives engage with communities throughout the country on their needs and concerns. Again, we have also deployed almost 3000 Community Development Workers in over 2500 wards across the country to increase contact with communities and assist in their development.

Our national and provincial legislatures as well as their various committees constantly rotate their Sittings to different locations and in the process engage with local communities across our country as part of implementing the resolution taken at the 51st National Conference that Parliament should be brought to the people.

In addition, in 2003 our Parliament passed the Traditional Leadership and Governance Framework Act. This Act provides the legislative framework for the integration of traditional institutions into our democratic system. Government has also developed a programme of support in order to enable these traditional institutions to strengthen their capacity to serve our people.

One of the resolutions of the 51st National Conference directed that we should take steps to ensure that a comprehensive assessment of the institutions supporting our democracy is undertaken.

As part of this assessment, our National Assembly appointed an ad hoc committee chaired by a member of our National Executive Committee, Comrade Kader Asmal, to look into the question of whether these institutions were fulfilling their mandates.

This committee has tabled its report which contains numerous recommendations on how these institutions should be strengthened and how their work should be supported.

In keeping with the directive of the last Conference on the matter of combating corruption in our public and private institutions, we have developed and are implementing an Anti-Corruption Strategy for the public service, including our municipalities. Among other things, we have also improved the operation of the National Anti-Corruption Hotline, which enables citizens to report any act of corruption.

INTERNATIONAL.

Earlier I recalled what Nelson Mandela said 10 years ago today when he drew our attention to the need to focus on our regional and international setting. Specifically he said:

"The success of our process of reconstruction and development will, to a good extent, depend on the peoples of our region of Southern Africa and Africa as a whole themselves achieving the same goals that we pursue, of democracy, peace, prosperity and social progress, within the context of an African Renaissance.

"We have to succeed in our objectives in the context of an accelerated process of globalisation which is leading to a greater integration of the nations of the world, the limitation of the sovereignty of states and the enhancement of the disparities between the rich and the poor."

Accordingly, since the last national conference we have pursued an African Agenda whose strategic objective is the realisation of the African Renaissance. The two main instruments in this regard, are the African Union's Constitutive Act as well as the AU's development programme, the New Partnership for Africa's Development (NEPAD).

An important precondition for the regeneration of the African continent is the attainment of peace, security and stability.

Accordingly, as South Africa we have played and continue to play our part, within our limited capacity to contribute towards the achievement of these objectives.

South Africa was until March this year, a member of the AU Peace and Security Council and was party to the decisions to deploy the very first AU initiated peacekeeping mission.

At the moment, South Africa is one of the largest contributors of peace-keeping forces on the continent. Furthermore, as part of the AU and SADC collective, South Africa is involved in creating the African Standby Force, the Regional SADC Brigade and the SADC and National Early Warning Centres.

Our involvement in the DRC has helped that sister country successfully to hold its first democratic elections in forty years and the formation of a democratically elected parliament and government.

We are indeed very happy that our government, different business enterprises and individuals responded positively to an important pan-African request to assist the people of the Democratic Republic of Congo to hold democratic elections. Again, the involvement of our people has also assisted in the resolution of the Burundi conflict. We take this opportunity, to thank our national defence force, the SANDF, as well as the SAPS for the critical role that they have and are still playing in a number of African countries to bring about peace and security.

Further, South Africa was mandated to mediate a peace settlement in Côte d'Ivoire. We also chair the AU mandated Committee on Post Conflict Reconstruction in Sudan. In addition, through multilateral, regional, continental and bilateral engagements, South Africa continues to support peace keeping and peace building efforts in such sister countries as Burundi, DRC, Comoros, Eritrea-Ethiopia, and the Central African Republic.

The finalisation of the Revised White Paper on South Africa's involvement in International Peace Missions and the AU Post-Conflict and Reconstruction Policy Framework are major instruments that will facilitate South Africa's effective engagement in the continental peace and development agenda.

The review will also take into account experiences and lessons learnt from South Africa's participation peace missions for the improvement of operational practice as an important contribution to knowledge management and peacekeeping policy development in the continent and the UN.

As far as NEPAD is concerned, we have moved from planning to actual implementation of some of the most critical programmes and projects necessary for the regeneration of our continent.

We are indeed proud that over the past five years South Africa has been a prominent driver of NEPAD. We continue to facilitate the implementation of projects and programmes in priority NEPAD sectors namely: infrastructure, agriculture, environment, tourism, ICT, health, human resources and science and technology.

In July this year we launched the Pan African Infrastructure Development Fund using African Pension Funds. The initial sum of US\$625 has already been contributed to capitalise this Development Fund.

The Fund will help us, as Africans, to reduce our dependence on foreign funding and reinforce our drive towards self-reliance. We thank our own PIC for having taken a lead in the establishment of this Fund.

Further, the AU and the European Commission have launched the EU-Africa Partnership on Infrastructure to advance the NEPAD programmes.

The Partnership is aimed at ensuring a substantial increase of EU investment in African infrastructure in such important areas as transport, energy, water, telecommunications and ICT services.

Again, the African Development Bank has mobilised US \$1,6 billion to finance various infrastructure improvement projects across Africa, mainly in the rail, road and energy sectors. The Bank has already financed 33 different projects under NEPAD to the cost of US\$800 million.

One of NEPAD's important projects, the Eastern Africa Submarine Cable System (EASSy), a 9 900km-long submarine cable between Durban and Port Sudan, which will radically reduce telecommunications costs in Africa could be operational by the end of 2008.

EASSy will connect with terrestrial fibre-optic cables to make up what will be known as the NEPAD ICT Broadband Network. This is aimed at helping the continent to free itself from its dependence on expensive satellite systems to carry voice and data traffic.

NEPAD has also launched an important ICT programme called the NEPAD e-Schools Initiative which will ensure that schools across the continent have access to modern communication technology. This Initiative covers both the primary and secondary schools and is very central to the challenge of skills development in all our countries, and meeting the Millennium Development Goals in this regard.

In 2003 AU Summit Meeting held in Maputo adopted the Comprehensive Africa Agriculture Development Programme (CAADP). Cooperating with the RECs, the NEPAD machinery is working to implement this important Agricultural Programme.

Further, South Africa played a critical role in the development and design of the African Peer Review Mechanism (APRM) as an innovative collective expression of the determination of African people to promote good governance, peace and stability in a collaborative, non-punitive manner.

South Africa acceded to the APRM in March 2003. There are now 26 signatories to the APRM and the first set of reviews on Kenya, Rwanda, Ghana and Mauritius were completed by June 2005.

The Review of South Africa commenced in 2006 and the report presented in June 2007. A National Self Assessment Report and a National programme of Action were developed with the involvement of the broad spectrum of South African stakeholders.

Subsequent to the endorsement of the South African Programme of Action (POA) by the Heads of State of the AU in July 2007 in Ghana, South African Government departments, civil society and business convened at a National Workshop of the POA of the APRM in Pretoria on 10 September 2007.

We have developed a NEPAD Implementation Strategy for South Africa (NISSA) together with civil society organisations and the private sector and have held four consultative conferences.

Although we are happy that there are, at national level, specific structures in place to champion, co-ordinate, implement and popularise NEPAD and ensure South Africa's effective engagement in the NEPAD process, there are many of our comrades and our structures that are not part of this important initiative. Indeed, we need to correct this. As government, we continue to support the NEPAD and APRM Secretariats based in South Africa.

South Africa will continue to work for the reform of the UN, including the Security Council. We were honoured from January 2007 to join the United Nations Security Council as a non-permanent member for the period of two years. Since assuming the Non Permanent seat, we have continued to advance the agenda of the South and that of Africa.

We are proud to be part of the global forces that are working for the emergence of a new global financial architecture. Among other things, this must entail the reform and democratisation of the IMF and the World Bank.

In the last five years we have seen the continued unleashing of the fury of war as a means of settling global disputes. We believe this is wrong and has added to a state of insecurity around the world.

In part, this is because of the belief in unilateralism, fuelled by the erroneous assumption that might is right. The ANC's consistent stance is that unilateralism poses a threat to the basic principles of democracy and multilateralism and that we should at all times assert the authority of the United Nations.

We have consistently and unequivocally condemned all acts of terrorism and have pledged our support for the global campaign against terrorism within the framework of both the United Nations and the African Union.

The ANC has remained consistent in its approach to resolving the crisis in the Middle East. We remain committed to the view that everything should be done to establish an independent State of Palestine, living side by side and at peace with the State of Israel.

Again, our movement will continue to insist on the need to resolve the dispute on Western Sahara in keeping with the Resolutions adopted by the OAU and the UN Security Council. The UN will have to discharge its responsibilities in this regard.

Consistent with the ANC positions on this matter, government has committed to funding projects amounting to R22 million to assist the Saharawi Arab Democratic Republic (SADR) in the field of humanitarian assistance, land mine removal and building a community sports facility over the next three years.

As a progressive movement of our people we are committed to the advancement of the development agenda of the South and the strengthening of co-operation among developing peoples and countries through bilateral and trilateral co-operation as well as active participation in groupings of the South at regional, interregional and multilateral levels.

At the government and the civil society levels we are active participants in the India, Brazil, South Africa, (IBSA) Forum whose Summit we had the honour to host this year, and are participants in the New Asia-Africa Strategic Partnership, the Forum for China Africa Cooperation (FOCAC), and a wide spread of other multilateral organisations.

The 51st National Conference resolved that we should continue to play our role in helping to build and strengthen the global progressive movement. This includes further reinforcing our relations and ties of solidarity with sister parties on our Continent and in the rest of the world.

And indeed we need the active support of the world progressive movement to help us to defend our revolutionary gains and accelerate our advance towards the achievement of the goals of the National Democratic Revolution.

In this regard we must continue to work with other parties and movements further to strengthen the Socialist International and assist in increasing its impact in the global political and ideological struggle. This must include projecting a global progressive agenda to confront the ascendant neo-liberal and neo-conservative ideologies and practices.

POLITICAL DEVELOPMENTS

None of the tasks we have set ourselves can be achieved unless the ANC remains strong and united, determined to maintain its character as a servant of the people. These tasks include an appropriate response to the all-important challenge posed by our 2nd National General Council that we must use the new phase of the National Democratic Revolution to "overcome the challenge of persisting underdevelopment, of a deeply polarised society and economy", as the NGC said.

Correctly, the NGC emphasised that the central strategic task of our movement during the current phase of the National Democratic Revolution is to eradicate the deeply entrenched legacy of centuries of colonialism and apartheid, which continues to condemn millions of our people to poverty and underdevelopment and the perpetuation of the racial and gender inequalities that still characterise our society.

The 52nd National Conference will have to ask itself a very direct question and answer this question honestly and frankly - is the ANC capable of discharging its responsibilities to the masses of our people, the peoples of Africa and the rest of the world during this critical phase of our National Democratic Revolution!

The 52nd National Conference will have to ask itself a very direct question and answer this question honestly and frankly - will our movement increase its popular support during the 2009 General Elections, as we increased our support in each General Election since our first democratic elections in 1994!

Again, the 52nd National Conference will have to ask itself a very direct question and answer this question honestly and frankly - does the ANC have the will and capacity to lead our country and people over the next five years in a manner that will enable the nation to celebrate our Centenary in 2012 together, paying heartfelt tribute to our movement:

- for what it has and would have done to sacrifice everything for our liberation; and,

- using that freedom to lead the national offensive to accelerate the advance towards the creation of a South Africa that truly belongs to all who live in it!

I have the greatest confidence in this Conference and all the delegates that this is the right place and moment to place before our movement the serious challenge I have posed, confident that the delegates have the will and the capacity honestly and frankly to answer the questions I have listed.

I am certain that the delegates will understand why I have said Conference must pose certain pointed questions to itself. As we all know, the reason is that during the years since our liberation in 1994, certain negative and completely unacceptable tendencies have emerged within our movement, which threaten the very survival of the ANC as the trusted servant of the people it has been for 96 years.

The Organisational Report of our Secretary General will indicate some of these negative and unacceptable tendencies, which stand in direct opposition to everything the ANC represents, including:

- its value system;
- its revolutionary morality;
- its selflessness;
- the comradeship among its members;
- its deep-seated respect for the truth and honesty;
- its determined opposition to deceit and double-dealing; and,
- its readiness openly to account to the masses of our people for everything it says and does.

The Constitution of the ANC says "the President is the head and chief directing officer of the ANC", who "shall make pronouncements for and on behalf of the NEC, outlining and explaining the policy and attitude of the ANC on any question."

Exactly the very same words feature in successive Constitutions of our movement, including, for instance, the 1958, 1991 and 1994 Constitutions, all of which were, like our current Constitution, adopted at our National Conferences.

I refer to these Constitutional imperatives, which have a binding effect on the President of the ANC, to explain to the delegates that as President of the ANC, I have an obligation openly to convey the President's views to National Conference, especially on matters that are of vital importance to the defence of the character and historic tasks of our movement, and its reputation and esteem in the hearts and minds of the masses of our people.

Yet another reality from which many of us cannot free ourselves is that the African National Congress is the one and only object of true value that we own. This includes the delegates who are present in this place of assembly, as well as countless others who are not here, many of whom have never even carried an ANC membership card.

If we have any ambition of real worth and meaning, it is that our country and people should always remember us as having been exemplary members of the African National Congress.

Directly to confront the virus at the core of the disease that has produced and is producing this repulsive outcome, I would like to cite a vitally important observation our Secretary General made in his Organisational Report to our 51st National Conference, five years ago.

He said: "We have also reported to the NGC (held in 2000), on the challenges being in power has on the structures of the movement. We found that the issues dividing the leadership of some of our provinces are not of a political nature, but have mainly revolved around access to resources, positioning themselves

or others to access resources, dispensing patronage and in the process using organisational structures to further these goals.

"This often lies at the heart of conflicts between (ANC) constitutional and governance structures, especially at local level and is reflected in contestations around lists, deployment and the internal elections process of the movement. These practices tarnish the image and effectiveness of the movement.

"The limited political consciousness (among some of our members) has impacted negatively on our capacity to root out corrupt and divisive elements among ourselves. For the movement to renew itself as a revolutionary movement, we have to develop specific political, organisational and administrative measures to deal with such destructive elements."

Nelson Mandela also drew our attention to this challenge when he opened our 50th National Conference in 1997. Among other things he said: "One of these negative features is the emergence of careerism within our ranks. Many among our members see their membership of the ANC as a means to advance their personal ambitions to attain positions of power and access to resources for their own individual gratification.

"Accordingly, they work to manipulate the movement to create the conditions for their success.

During the last three years, this has created such problems as division within the movement, conflicts based on differences among individuals, the encouragement of rank indiscipline leading to the undermining of our organisational integrity, conflict within communities and the demoralization of some of the best cadres of our organisation.

"Inevitably, this has also created the possibility for the opponents of our movement and our revolutionary perspectives to intensify their own offensive to promote their objectives which are opposed to our goal of creating a better life for all.

"In reality, during the last three years, we have found it difficult to deal with such careerists in a decisive manner. We, ourselves, have therefore allowed the space to emerge for these opportunists to pursue their counter-revolutionary goals, to the detriment of our movement and struggle."

As the delegates know, the document "Through the eye of a needle" also addresses some of the issues raised by the Secretary General. It says:

"Because leadership in structures of the ANC affords opportunities to assume positions of authority in government, some individuals then compete for ANC leadership positions in order to get into government. Many such members view positions in government as a source of material riches for themselves. Thus resources, prestige and authority of government positions become the driving force in competition for leadership positions in the ANC.

"Government positions also go hand-in-hand with the possibility to issue contracts to commercial companies. Some of these companies identify ANC members that they can promote in ANC structures and into government, so that they can get contracts by hook or by crook. This is done through media networks to discredit other leaders, or even by buying membership cards to set up branches that are ANC only in name.

"Positions in government also mean the possibility to appoint individuals in all kinds of capacities. As such, some members make promises to friends, that once elected and ensconced in government, they would return the favour. Cliques and factions then emerge within the movement, around personal loyalties driven by corrupt intentions. Members become voting fodder to serve individuals' self-interest."

As a consequence of the disease to which our Secretary General drew our attention, all of us, cadres of our movement and the ANC itself, have been exposed to the shame and humiliation of people who are our members, who come to meetings of our structures carrying weapons, with the intention to terrorise members of the ANC to bow to their will.

We have been exposed to the pernicious practice of people buying others membership cards of the ANC to guarantee themselves a captive group of voting cattle, whose members had and have absolutely no desire to join the ANC.

All of us are aware of the poisonous phenomenon foreign to our movement, which many of us have characterised as the ownership of some members by other members. These are people who, while holding ANC membership cards, do not belong to the ANC but belong to those who paid their subscriptions.

This includes unqualified people who get appointed to such positions as Municipal Managers, placemen and women who serve as the pliable tools of their political masters, and who are used to advance the commercial and political interests of their handlers and patrons.

We are aware of members of the ANC whom our Secretary General characterised as destructive elements which tarnish the image and effectiveness of our movement. These are people who abuse their positions in government consciously, purposefully and systematically to engage in corrupt practices aimed at self-enrichment.

These engage in criminal and amoral activities driven by the hunger for personal gain, acquired at the expense of the poor of our country, who constitute the millions-strong constituency which regularly votes for the ANC, and which we proudly claim to represent.

We have been horrified to hear reports of ANC members who occupy positions in government, who have murdered one another as they competed about who would emerge as the victor in the process of awarding government tenders to private sector companies in return for financial and material kickbacks paid by the winning bidders.

All of us, delegates to the 52nd National Conference of the ANC, are perfectly conscious of the ferocious and unprincipled battles that took place last year as our structures selected our candidate local government councillors for the 2006 municipal elections.

All of us know this very well that this was driven by the objective to remove sitting councillors on the basis that these had to move way to give other people, card-carrying members of the ANC, an opportunity also to serve as councillors, and thus to gain an opportunity for self-enrichment.

We know this too, that some of those who lost in this immoral battle promptly resurfaced as members of formations of the broad democratic movement, or as leaders of groups of so-called "concerned citizens" to organise and lead public demonstrations intended to discredit members of our movement who had been legitimately nominated by our structures and elected democratically to serve in our system of governance for the prescribed periods.

What I have said, to give flesh to what our Secretary General said in 2002, might suggest, wrongly, that the destructive disease his comments sought to address relates mainly or only to the sphere of local government.

The fact of the matter, whether this is correct or false, is that members of the ANC and others among our citizens, have informed me that even the unprecedented fight for positions in the leadership that will be

elected at this National Conference is informed by exactly the same imperatives identified by our Secretary General.

The allegation that has been made is that at least some of the contending groups in this regard have acted as they have, with an eye to who would serve in positions of authority in our system of governance after the 2009 General Elections.

In the paragraphs I have quoted the Secretary General pointed correctly to the impact that low levels of political education among some of our members has on our capacity to fight corruption in our ranks, as well as other negative tendencies.

Repeatedly over the years, our leadership has drawn attention to the critical importance of political education and cadre development. Again the Secretary General will reflect on this matter. The reality is that we have not attended to this matter with the seriousness and consistency it demands. As a result of this failure we must therefore expect that we will have members who, among other things, will have very little familiarity with the history and traditions of the ANC, its policies, its value system and its organisational practices.

One other negative consequence of this, in addition to what the Secretary General said, is that this makes it easy for people with bad intentions to mislead such members. Over the years we have seen the persistent propagation of outright falsehoods intended to discredit our leadership.

These have included entirely false claims about a shift of the policy making function from the constitutional structures of the movement to government, intolerance of different views and therefore the suppression of open discussion especially in the NEC, centralisation of power in the Government Presidency, and abuse of state power, thus further reducing the capacity of our movement to play its proper role as our country's ruling party.

All these are complete fabrications. However, it is easy for members who, as I have said, have scant familiarity with the policies and procedures of the ANC. This is particularly so if those who spread these falsehoods are people whose word our members would have no reason to doubt.

In this regard I must mention yet another challenge that has assumed a higher profile during the years since our last National Conference. This is the practice that again is entirely foreign to our movement - the practice of using untruths, of resort to dishonest means and deceit to achieve particular goals.

Throughout the most difficult years of our struggle, our movement always refused to resort to these means to hide our reverses and difficulties and present a more optimistic picture than the circumstances justified. It was for this reason that what the late Amilcar Cabral once said gained great popularity in our ranks - tell no lies: claim no easy victories!

We must add to all this that during the period since our 51st National Conference initiatives by people who are obviously hostile to our movement who have sought to divide the leadership and weaken our movement. Specifically, I refer here to two instances.

One of these was the production and circulation of fake e-mails intended to create the impression that our leadership was divided into factions which were busy plotting against one another to advance their personal interests.

As the Conference is aware, our National Executive Committee denounced these e-mails as outright forgeries. This conclusion was confirmed by the independent Task Team that was appointed by the National Working Committee, at the request of the NEC, to investigate the whole issue of the e-mails.

More recently, we have also had to deal with what has come to be known as the "browse" document. Once again it was confirmed that this document was produced with the specific intention to divide and weaken our movement.

I mention these two instances, the e-mails and the "browse" document both to draw the attention of Conference to the fact that the forces that opposed our movement in the past have not abandoned their objective to defeat us and to emphasise the importance of empowering our members with the necessary political maturity to enable them to see through such manoeuvres as the production of the e-mails and the "browse" document.

More broadly, our experience has shown that the more our National Democratic Revolution advances, the more complex the issues we have to solve. The phenomenon exemplified by the e-mail and "browse" documents incidents also strongly suggests that the greater the progress we make, the harder will our opponents try to secure our defeat.

One of our continuing and important tasks is further to strive to promote the campaign for moral regeneration, based on doing everything we can to develop a value system in our country inspired by the concepts that are integral to the ubuntu/botho world outlook. This is central to our pursuit of the objective of building a caring and people-centred society.

What this emphasises is the need for our movement to distinguish itself by its exemplary behaviour, setting an unquestionable example of what Nelson Mandela meant when he spoke about the RDP of the soul!

Yet another important challenge that faces us is the need for us continuously to engage the political and ideological struggle in defence of the strategy and policies of our movement. The battle of ideas rages in our country on a daily basis in many instances focused on the objective to change the policy positions we have adopted and move our country in directions to which we are opposed. Much of this daily barrage comes from people who represent the neo-liberal perspectives.

Another ideological challenge has arisen from within the ranks of the revolutionary movement. I refer here to the proposition that has been advanced that the National Democratic Revolution should now be replaced by the Socialist Revolution. This is an important issue, especially since it originates from within the ranks of our broad movement, and will undoubtedly arise as we discuss the Draft Strategy and Tactics document.

In this regard I am certain that I speak for all the delegates when I say that none of us can be happy with the manner in which relations within the Alliance have evolved in the last five years. Our movement will have to continue addressing this issue, especially given the fact we also have the historic responsibility to lead the Alliance.

Our movement remains firmly convinced of the need for us to sustain the alliance between the ANC, the SACP and COSATU because of the shared strategic interest in the victory of the National Democratic Revolution. We remain convinced that the objective situation in our country still demands the united action of the broad masses of our people, led by the ANC, the democratic trade union movement, led by COSATU, and the class conscious proletariat, led by the SACP. This is the historic basis for the birth of the Alliance many decades ago. It remains highly relevant and necessary even today.

The delegates will also be aware of the fact of the increasing role that our country has been playing to honour our pledge to extend our solidarity to the sister peoples of our Continent. In this regard, in many instances responding to regional and continental requests, we have been and will continue to be involved in the search for solutions to some of the most complex and challenging problems on our continent.

Accordingly, we have been and are engaged in processes aimed to address problems confronting challenges in such countries as the DRC, Burundi, Côte d'Ivoire, Sudan, Zimbabwe and the Comoros, working with the leaders of these countries. Needless to say not everybody in the world, and in our country, has been happy with the interventions we have made. These have therefore opposed us.

However, reflecting the most fundamental positions of our movement, we have insisted on the right of the peoples of Africa, including ourselves, to determine our own destiny without any dictation from anybody. Again not everybody agrees with us on this matter, driven by the pursuit of what they perceive as their national interest.

All the challenges I have mentioned, including the matter raised by the 2nd NGC of the need and possibility to accelerate the process of socio-economic transformation, once again emphasise the need for us decisively to strengthen the ANC. As our experience during the last five years has shown, this is not just a matter of numbers. Critically it is a matter of the quality of our membership.

Without such a membership, which is steeped in the policies, the value system and the traditions of the ANC, our movement will fail in its effort both to respond to the challenges we have mentioned as well as act in an effective manner to advance the National Democratic Revolution, in the interests of the masses of our people.

By the time we close this National Conference we must have discussed this matter and taken decisions that will be implemented, literally to save both the ANC and our revolution. I am certain that all those of us who have followed the evolution of the political situation in our country and movement over the last five years will have no hesitation in agreeing that the single and most strategic task we face is to strengthen the ANC both quantitatively and qualitatively to the point of understanding and accepting the proposition - better fewer, but better!

In this regard I must also make the point that Conference should examine very carefully the assertion that has been made insistently for some time, that our movement is divided. We must ask the question and discuss it frankly - if we are divided, what divides us! If we are divided, what should we do to address this challenge, given the naked truth that a divided ANC can never discharge its historic responsibilities to the masses of our people!

All of us make the statement genuinely that we will emerge from this National Conference more united than ever before. We must ensure that this is not an empty slogan. We cannot afford to make merely rhetorical statements about the issue of our principled unity, with the purpose only to comfort our troubled hearts and minds. Conference must therefore confront this issue frontally, so that we do indeed emerge from this 52nd National Conference more united than ever before.

I believe that the various matters I have raised, relating to the serious political challenges facing our movement and revolution deserve the most serious attention of this important Conference. Undoubtedly, other and related matters will feature in the Report of the Secretary General.

I would like formally to propose to the delegates that this National Conference should give itself time to discuss these matters that are of central importance to the very nature and survival of our movement as truly a people's movement.

Fortunately, the entirety of our leadership at various levels is present in this hall. At the same time, the overwhelming majority of our branches also have their representatives in this same hall.

These representatives now have the possibility to ask our leadership, including the President, any and all questions they may seek to pose, which would clarify any and all issues that have troubled them during the last five years, affecting the functioning of our movement.

They have the possibility openly to contest any and all the assertions I have made, as I sought to identify some of the problems that have confronted our movement in the last five years.

Given the importance of this Conference and the tasks ahead of us, and given that this is our highest decision-making body, it seems obvious to me that Conference must take the necessary steps to establish what the truth is about the many matters that have suggested that our movement is divided, and that especially the national leadership we elected in Stellenbosch in 2002 rather than implement the decisions we took then, has been involved destructive struggles among themselves, which have threatened the very survival of our movement.

If I may, I would like to reiterate the suggestion I have made - I formally propose to the delegates that this National Conference should give itself time to discuss these matters that are of central importance to the very nature and survival of our movement as truly a people's movement.

Needless to say, one of the most difficult and painful challenges we have faced over the last five years have arisen around out of matters affecting our Deputy President. Part of the difficulty we faced in this regard, which has resulted in many of our members criticising the NEC for failing to provide leadership, was that here we were dealing with an unprecedented situation, and therefore had no body of experience that would help our leadership and movement to deal with this situation adequately. All of us hope that we will and can put these matters behind us sooner rather than later.

Despite everything I have said, we are all aware of the fact that the masses of our people, especially the poor, have the greatest confidence in our movement. In the period since the 51st National Conference, two elections have taken place in our country.

In both of these, the 2004 General Elections and the 2006 Local Government Elections, our people demonstrated once more that they continue to place their hopes in the ANC to lead our country to achieve the objective of a better life for all, again especially the poor.

This constitutes a heavy and sacred responsibility we cannot betray. All of us as genuine members of the African National Congress must make this solemn pledge and honour it in word and deed. It is our conduct and practical deeds as true agents of progressive change, and not what we say that identifies us as true revolutionaries, loyal servants of the masses of our people.

As I have said and as the National Conference knows, we are only five years away from celebrating the Centenary of our movement. This will be a moment of immense pride and great inspiration not only to our members and people, but also to the peoples of Africa, all black people everywhere, and all those in the world who are striving and dream of their all-round emancipation.

And therefore I pose the question once again - does the ANC have the will and capacity to lead our country and people over the next five years in a manner that will enable the nation to celebrate our Centenary in 2012 together, paying heartfelt tribute to our movement:

- for what it has and would have done to sacrifice everything for our liberation; and,
- using that freedom to lead the national offensive to accelerate the advance towards the creation of a South Africa that truly belongs to all who live in it!

This 52nd National Conference of our movement must answer this question through all the decisions it will take. All of us must continue to march together as true comrades, to implement the decisions we will take at this last Ordinary National Conference before we celebrate on January 8th, 2012, the Centenary of this great movement of the people, the African National Congress.

On that day, we must be able to stand together as a united movement for revolutionary change, confident that the heroes and heroines who perished for our liberation and placed in our hands this irreplaceable repository of the hopes and aspirations of the masses of our people, the African National Congress.

While we live and have even an ounce of strength in our bones, all of us, genuine and loyal members of the African National Congress, must act in a manner that truly confirms that the ANC lives: the ANC leads!

I wish this historic 52nd National Conference success.

Amandla! Matla! Matimba!