

The Neo-Liberal Agenda

GEAR versus the working class

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Underlying the government's drive to privatise is the neo-liberal GEAR programme. This is a macro-economic policy adopted by the government in mid-1996. GEAR argues that the capitalist class is the engine of reconstruction and development in South Africa. As such, GEAR sets out a list of government policies that are designed to put a smile on the face of big business.

The key GEAR policies include

- A huge cutback in government spending. GEAR argues that government spends too much money and must therefore retrench public sector workers, as well as “strictly contain” and “reprioritise” spending on education, health and other social services.
- Privatisation and commercialisation of state-owned companies, such as ESKOM. These companies must be run like profit-making companies and be sold to private companies where possible
- Deregulating trade and investments: instead of companies being closely regulated through laws, customs duties, and so on, these companies should be able to move their money easily, and import and export goods easily.
- Labour market flexibility, which means that bosses will be able to hire and fire workers more easily, as well as vary wages, working hours and jobs

Government's idea is that these policies create “an attractive investor climate,” leading to large-scale investment by local and international companies, which will create jobs, growth and tax money for social services.

GEAR has proved to be a disaster for the broad working class

- Over half-a-million jobs have been lost since 1994, and investment has declined in a number of sectors
- Sectors such as textiles and automobiles are under fierce attack from cheap imports, leading to job losses and large-scale anti-worker industrial restructuring
- Spending on social services has been drastically cut, which mainly affects workers and the poor: service workers like teachers and nurses are retrenched, pensions are being cut, housing programmes are being frozen and hospitals run-down and closed.
- Important worker rights in the Labour Relations Act and the Basic Conditions of Employment Act are under siege from proposed new labour law amendments that cut overtime pay and job security.
- Money for local governments and universities has been slashed, leading to the implementation of programmes like iGoli 2002 and Wits 2001.
- Government companies and utilities like electricity and water are being run on a profit-making, 100% cost recovery basis, and are now being sold-off, leading to massive job losses, price rises and cut-offs.

GEAR offers the working class nothing. GEAR lies behind the privatisation crisis. And behind GEAR stand the rich, the owners of the big companies, the real rulers of our country.

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