

To the Editor: Mail & Guardian 17 September 2010

In response to the moribund rant by the Democratic Alliance's trade and industry spokesperson, Tim Harris, in the *Mail & Guardian* newspaper dated September 16 2010, over Cosatu's growth proposals I can remonstrate in reciprocity that elementary decency, prompted by humane instinct and intellectual civic duty, will recognize the fallibility of the free enterprise system.

For 30 years of free market policies the system failed not only to anticipate but guide the world out of recession. Compelling international evidence demonstrate that the non-interventionist model of free markets cannot cope with extreme fluctuations. The fact is that four stochastically impossible financial events occurred in just 20 years i.e. Stock market (1987); Bond market (1994); Currency market (1998) and the past recent credit market (2008) bears testimony to Cosatu's claim that there is scope for improving the functioning of both the market and the Government.

The United Nations' World Economic and Social Survey of 2010, titled "Retooling Global Development" makes an acknowledgement that "global economic crises of 2008-2009 exposed systemic failures in the workings of financial markets and major deficiencies at the core of economic policy making". In South Africa the prioritisation of price stability by our monetary policy, deficit margin by our fiscal policy and unfettered flexibility by our labour market policy constitutes such major deficiencies.

After 14 years of GEAR facts lie bare for those with eyes to see and to those with brains to discern that the pursuit of free market policies resulted in mounting unemployment, widening inequality, perturbing levels of poverty thereby engendering disillusionment and anger to millions of South Africans.

The Cosatu growth path document comes to represent, in the context of our emergent reality, an economic paradigm with an expressed purpose to debunk the myths and tenacity of discredited laissez faire policies. By putting forward models supported by international best practice it exposes tendencies that reject facts to contrary about the eulogised efficacies of free market doctrines.

For those who have not experienced moments on bitterness and indignation, have no left a vestige of love for the country, for humanity, for justice and the people find every reason to justify whatever outcome is decreed by the market. They are haranguers of grafting and concoct, with calibration, sterile ideologies to the wretched working masses of South Africa.

Patrick Phelane
Labour Market Policy Coordinator
Congress of South African Trade Unions