



Numsa Media Monitor

Monday 11 July 2016

A daily compilation of local, national and international articles dealing with labour related issues

Numsa

Agreement threatens to undermine rights of unions – NUMSA

Irvin Jim, Politicsweb, 8 July 2016

NUMSA condemns proposed agreement between government and COSATU

The National Union of Metalworkers of South Africa (Numsa) has learned with trepidation the reported agreement between the Congress of South African Trade Unions (Cosatu) and the government, which threatens to undermine the independence and constitutional rights of trade unions.

Finance Minister Pravin Gordhan has told London Financial Times that the government is close to a series of 'reforms' to the labour market which would include "the minimum wage, balloting before strikes, and compulsory arbitration, so that strikes don't last forever".

Cosatu President Sidumo Dlamini says that Gordhan was premature in stating that the government was close to announcing labour legislation reforms, and concedes that negotiations on a minimum wage were still at "a delicate stage", but that "talks about other labour reforms, such as those relating to pre-strike balloting, were "nowhere near closure".

This however confirms that Cosatu and government are in the process of negotiating on proposals which threaten many hard-won trade union rights, supposedly on the basis that they want to "balance pay with job security".

The Times, on 5 July 2016, under the headline "Cosatu: Save the jobs", reports that "in an effort to help turn the tide on unemployment and continuing job losses, labour federation Cosatu has called on the unions affiliated to it to tread carefully when negotiating pay increases. For the first time, Cosatu is calling for restraint. It says there should be a balance between wage demands and the preservation of jobs."

The Times quotes Sizwe Pamla, Cosatu's national spokesperson, as saying that "We have called on our affiliates not to over-promise and demand wages that will lead to workers losing their jobs down the line. What we are saying is that workers should not be misled and promised increases that will affect their jobs. We are approaching a recession and if this economy collapses it will affect all of us. We are all in danger".

Cosatu general secretary Bheki Ntshalintshali is reported to have called for a "rethink" by unionists involved in salary negotiations. "You don't want to get an increase and then thereafter people are retrenched and only a few remain to enjoy the benefits of that increase."

"Cosatu," reports The Times, "said it would advise its affiliates to push for above-inflation increases for those at the bottom of the pay scale. It said better-paid workers would negotiate for increases in line with inflation, which was at 6.1% in May.

"Ntshalintshali said that 'for the lower grades it really has to be inflation-plus. We don't determine how much above inflation [the demand should be] but it can't be at inflation level, it can't be below inflation'."

Cosatu President, Sidumo Dlamini, echoed the same theme when he told Power FM listeners that he is encouraging workers to moderate the salary demands with the need to preserve jobs.

Numsa rejects with contempt this proposed agreement and the false arguments used to justify it. It is a move by government and the employers to make workers pay for the capitalist crisis of mass unemployment, poverty and inequality by plunging themselves into even greater poverty by accepting wage settlements that in real terms mean a wage cut.

The 6.1% level of inflation referred to is well below the level in the rate of food price inflation, which according to Stats SA, rose from 5.2% year-on-year in the fourth quarter of 2015 to a massive 11.3% in April/May 2016, while the petrol price rose by nearly R1.50 (13%) between March and June 2016.

Poor households spend a proportionally larger share of their budgets on food and transport costs compared to higher income households and therefore typically suffer most from the impact of higher food and fuel prices.

Of course saving jobs and creating ones is a top priority for unions at a time when jobs are disappearing daily and whole industries, like steel are in jeopardy. The mining sector alone has shed more than 35 000 jobs since 2012 as commodity prices have slid over the last few years.

But Numsa rejects the false bosses' argument of the bosses, government and now Cosatu that the way to save jobs is to cut the real wages of those who still have jobs.

On the contrary, by reducing workers' disposable income they reduce spending on goods and services, which forces even more employers to shut down and makes the current recession even worse. Not only will it not produce jobs for the unemployed but it will reduce the small amounts that thousands of them now receive from employed family members.

How can Cosatu even talk about wage moderation by workers when the incomes of their bosses soar upwards with no moderation at all? In 2015 CEOs were earning 725 times more than workers. The CEO of South African Breweries Alan Clark will shortly be in line to receive a pay-out of £55m (R1100 million) when SAB Miller is taken over by Anheuser-Busch InBev.

This is the same company who in 2014 was paying its CEO R122 million a year (over R1 010 000 a month). Compare that to the average wages of over half of full-time working people who were earning of R3 640 a month (R43, 680 a year) or less in 2015?

The union is also utterly opposed to other so-called 'reforms' put forward by Gordhan - balloting before strikes, and compulsory arbitration.

Numsa prides itself on its insistence on democratic worker control. No decisions can be taken by leaders without a mandate from the members concerned. This is particularly the case with strikes, which for workers are always a last resort when every possible way to negotiate a settlement has been tried but failed.

Many unions already hold ballots on strikes, but others prefer the members to be consulted at workplace mass meetings, where questions and objections can be raised from the floor. Meetings also give the leadership a platform to counter the employers' propaganda in the media, which can be more difficult with ballots.

But we are adamantly opposed to government dictating to unions how they should or should not seek a mandate from their members. It strikes at the heart of unions' independence and worker control and creates a precedent for government to control all other unions' rules and render them powerless.

The same applies to compulsory arbitration. Workers always prefer to settle disputes through negotiations, and so do many employers; the big majority of disputes are resolved with a negotiated settlement. Strikes are always a last resort when

employers are intransigent or even want to provoke a strike as an excuse to sack workers.

But strikes can, and must, never be averted by some government-appointed arbitrator acting as a referee with red cards to wave at workers. Governments in capitalist societies, and the arbitrators they appoint, will always be biased in favour of their capitalist class allies and rule in their favour.

This proposal opens the way to workers who remain on strike in defiance of an arbitrator's ruling facing being told either to return to work or else end up facing civil legal action and being dismissed for being on an unprotected strike.

This is a clear breach of the right to withdraw one's labour which is enshrined in South Africa's constitution and many international conventions which our government has signed. It would amount to forced labour and turn workers into slaves.

It is outrageous that a trade union federation can even discuss such proposals, let alone agree to them. These are the policies of the Democratic Alliance, the Free Market Foundation and all the other enemies of the workers and their organisations. If ever introduced and enforced they would provoke an unprecedented explosion of rage from the working class.

Numsa calls upon every union to fight these plans and refuse to be bound by any of the proposals.

As well as the unions which are coming together to form a new militant and independent federation, who we are confident will reject these plans, we call on all members of unions still affiliated to Cosatu also to abandon this once proud federation, which has become the police service of the government and employers

It has joined the ruling class in seeking to place the blame for the global crisis of a rotten capitalist system on the very workers who produce the world's wealth in the factories and mines, and provide the essential services in our schools and hospitals.

This agreement proves that Numsa and other who saw Cosatu degenerating into a labour desk of government and the ruling party, and now also the capitalist bosses, were right and now is the time to build the new democratic and revolutionary workers' federation and political party.

Issued by Irvin Jim, General Secretary of the National Union of Metalworkers of South Africa, 8 July 2016.

<http://www.politicsweb.co.za/politics/agreement-threatens-to-undermine-rights-of-unions->

ANC not worried about Numsa support in Nelson Mandela Bay

Xolani Koyana, EWN, 8 July 2016

ANC confident Numsa's expulsion from Cosatu won't affect its chances of retaining Nelson Mandela Bay.

CAPE TOWN – The African National Congress (ANC) said it was confident that the expulsion of the National Union of Metalworkers of South Africa (Numsa) from the tripartite alliance would not affect the party's chances of retaining control of the Nelson Mandela Bay Municipality.

The party's National Executive Committee member Bheki Cele was campaigning in Sidwell yesterday where he addressed Cosatu shop stewards ahead of next month's local government polls.

The Nelson Mandela Bay, with its motor manufacturing sector, is a Numsa stronghold which was expelled from Cosatu in 2014.

Cele recalled how he addressed an almost empty hall in New Brighton two months ago.

"We have improved a lot since that time and workers who are there are committed and it's not only Numsa."

He says things have changed since the Workers' Day rally in May.

"Shop stewards are people who will go back to preach of the politics of the ANC."

<http://ewn.co.za/2016/07/08/ANC-not-worried-about-Numsas-expulsion-from-tripartite-alliance>

South African workers

Battle lines being drawn ahead of wage talks in platinum sector

Zandi Shabalala, Business Day/Reuters, 8 July 2016

THE world's top platinum miners face tough wage talks next week with SA's hardline unions, having seen their balance sheets battered and the capacity for big pay hikes limited by low prices and the effects of a five-month strike in 2014.

The Association of Mineworkers and Construction Union (Amcu) plans to demand rises of more than 50%, while a smaller union demanded 20%. The demands are well above inflation at 6.1% in a struggling economy, with the International Monetary Fund (IMF) estimating GDP expansion this year at 0.1%, dented by low commodity prices and a severe drought.

Africa's most industrialised country has the biggest and most lucrative platinum reserves but labour unrest and regulatory uncertainty have dampened investor appeal.

The strike in 2014, which was led by Amcu, hit Anglo American Platinum (Amplats), Impala Platinum (Implats) and Lonmin, forcing them to cut jobs, shed mines and in some cases make cash calls to investors.

On Thursday, Amcu, which represents the majority of workers on the platinum belt, stuck to its battle cry of demanding a "living wage" of R12,500 per month for the lowest-paid workers. That amounts to a 56% raise.

"The living wage addresses food inflation because it keeps rising. If we are stuck in that low wage then how are we going to cope with these increases, which are beyond our control?" Amcu president Joseph Mathunjwa said ahead of talks on July 12.

The mining companies are pleading poverty. The 2014 strike, along with low prices, cost the industry R24bn rand and led to thousands of layoffs.

"We remain committed to negotiating in good faith whilst remaining aware of the economic realities" facing the industry, Lonmin spokeswoman Sue Vey said.

London-listed Lonmin was forced to raise cash from investors at the end of last year, selling each share for just more than 1p. Larger rival Implats also tapped shareholders for equity to develop shafts it deemed vital to its growth.

"We have ensured that shop stewards have been appropriately trained and have a good understanding of our business and the challenging environment in which we operate," Implats spokeswoman Alice Lourens said.

Amplats declined to comment.

Although platinum prices are up 22% this year, they are down 50% from 2008 peaks due to oversupply and muted demand from top consumer China.

"The balance sheets of Lonmin and Implats won't be able to sustain another severe downturn," Sanlam Private Wealth mining equity analyst Shiraaz Abdullah said.

<http://www.bdlive.co.za/national/labour/2016/07/08/battle-lines-being-drawn-ahead-of-wage-talks-in-platinum-sector>

Cosatu, NUM angered over Lily inaction

IOL Reporter, Independent Media, 8 July 16

Johannesburg - SA's largest labour federation and the National Union of Mineworkers will march on the Department of Mineral Resources over the situation at Lily Mine.

Lily mine was placed in business rescue after a cage collapsed in February. Three employees remain trapped in the underground container, with Vantage planning to sink a 500m decline shaft to reach them.

Its owner, Australia's Vantage Goldfields, had agreed with Canadian producer AfroCan Resources Gold that AfroCan would invest \$11 million in Vantage, which would have seen miners being paid their salaries. However, AfroCan has reneged on this deal, and now Vantage plans to sue it.

Meanwhile, the families of those still trapped underground have no closure.

Because of this, Cosatu and NUM are planning a protest march to the offices of the Department of Mineral Resources next week, to demand more government action to resolve the Lily Mine tragedy.

In a statement issued on Friday, Cosatu says it is "disappointed by the government's lack of action and commitment to bringing to the surface the bodies of trapped miners and also compensate the stranded workers, who are currently sitting at home with no income".

The joint statement claims workers were given false promises by the Minister of Mineral Resources, Mosebenzi Zwane, who promised the families of the trapped miners R200 000 and the injured workers about R50 000.

"We are angry that those workers have not yet received the money that was promised to them."

<http://www.iol.co.za/business/companies/cosatu-num-angered-over-lily-inaction-2043280>

Cosatu leader calls for 'rebuilding'

Melitta Ngolunkulu, The Herald, 8 July 2016

Federation president goes on charm offensive in Bay

Cosatu president Sdumo Dlamini jettied into Nelson Mandela Bay – where his detractors are the strongest – yesterday, claiming the labour federation was on the road to rebuilding itself and restoring unity in the metro.

Dlamini, flanked by ANC national executive committee member Bheki Cele, went on a charm offensive, patting union members on the back for what he said was a job well done in fixing the rift in the region.

Dlamini was speaking at the Department of Education district offices in Sidwell.

Three years ago, Cosatu was ripped apart in Nelson Mandela Bay as a large number of its affiliates backed Numsa and former Cosatu secretary-general Zwelinzima Vavi in the leadership squabbles.

When Numsa broke away, it took a large contingent of its members from Cosatu's power base in the Bay.

At the highly charged meeting yesterday, attended by members of Cosatu affiliates, Dlamini said the federation had been attacked from its strong base in the Bay when the ructions started.

"When things fell apart, it started here. People saw it as fertile [ground]," Dlamini said.

"[With] the history of this region of our country – where the liberation struggle of our people was [vibrant] – they said, 'let's go there and attack from right there, and use the grievances that are existing from that point to target each and every Cosatu union, to win in it . . . so when everything falls, the new agenda kicks in'."

<http://www.heraldlive.co.za/cosatu-leader-calls-rebuilding/>

Samwu puts hand up to testify against Pikitup boss

Clement Manyathela, EWN, 8 July 2016

Amanda Nair is on special leave pending an investigation into corruption claims against her.

JOHANNESBURG – The South African Municipal Workers' Union (Samwu) said it was ready to give testimony at the inquiry established to investigate Pikitup managing director Amanda Nair.

Yesterday, the refuse removal company placed Nair on special leave pending an investigation into allegations of corruption against her.

The company said this was only procedural and that she had not done anything wrong.

Meanwhile, the union said that a dossier it had submitted to Pikitup, containing evidence of corrupt activities involving Nair, may have been behind the decision to suspend Nair.

Samwu's Paul Tlhabang said: "If there is a need for us to be part of that process then we will be part of that process."

<http://ewn.co.za/2016/07/08/Samwu-puts-hand-up-to-testify-against-Amanda-Nair>

Cosatu wrong – black and white traffic officers have same training, says City of Cape Town

Deneesha Pillay, TimesLive, 7 July 2016

Cosatu has turned the shooting of two female traffic officers into a political point-scoring bout with the City of Cape Town by claiming that black officers are not as well trained as their white colleagues.

“The white officers in the City of Cape Town all have more training and higher salaries, with safer work situations,” Cosatu charged in a statement on Thursday.

The federation said it planned to lay charges against Cape Town Safety and Security head Jean-Pierre Smith and Western Cape Provincial Minister of Transport and Public Works Donald Grant, after the wounding of the officers in Khayelitsha earlier this week.

But the federation appears to have gotten the basic facts wrong.

Smith said the statement made by Cosatu, under its Western Cape regional secretary, Tony Ehrenreich, was factually incorrect, emphasising that all traffic officers, regardless of race, receive the same training.

“Every part of Ehrenreich’s letter is inaccurate. The officers who were shot earlier this week were employed by the Western Cape Traffic Department, i.e. the provincial government and not in any way linked to the City of Cape Town,” he said.

Cosatu alleged that black officers in the city were under trained and under resourced to do their jobs. The federation said they held Smith and Grant “responsible for the predicament that the black traffic officers and Metro Police are exposed to”.

“Black officers must all be provided with firearms to protect themselves from attack, or does JP Smith want to put signs on their heads saying they are not armed so please don’t shoot them, but still expect police presence to deter criminals,” said Cosatu.

Said an irate Smith in reaction to the statement: “The officers were disarmed by the attackers, which means they had firearms and so I have no idea where Ehrenreich gets the idea that they were unarmed.”

All metro police, traffic and law enforcement staff received the same salaries and management positions were not determined by race, he added.

“To suggest otherwise is to exhibit intense ignorance of how Council works, how labour laws work and about HR policies,” he said.

<http://www.timeslive.co.za/politics/2016/07/07/Cosatu-wrong-%E2%80%93-black-and-white-traffic-officers-have-same-training%E2%80%9A-says-City-of-Cape-Town>

SABC

D-Day for Hludi Motsoeneng

Ntombifuthi Piliso, Sunday independent, 10 July 2016

Johannesburg - The ANC's top brass will meet Monday at the party's Luthuli House headquarters in Joburg in a frantic bid to "get the SABC out of its crisis mode" while the man at the centre of the storm - Hlaudi Motsoeneng - has embarked on a desperate bid to drum-up support among government and ANC structures.

With the ANC communications sub-committee expected to call for the removal of Motsoeneng and the entire SABC board when the committee meets, it remains to be seen whether communications minister Faith Muthambi - largely perceived to be Motsoeneng's last line of defence - will finally give in on him in the face of growing hostility and anger among the ANC committee members.

Muthambi, herself a member of this committee, which is chaired by ANC MP Jackson Mthembu, is expected to attend the meeting. Up until now, Muthambi's firm support for Motsoeneng has ensured he strengthened his grip despite several high court rulings and Public Protector Thuli Madonsela's recommendation that he be removed from his position as chief operations officer.

Muthambi is believed to have already accepted an invitation to attend Monday's meeting according to ANC and SABC insiders close to the situation.

Matters expected to feature high on the agenda of the meeting, include irregular appointments of senior managers at the SABC, the role of the SABC board, controversial editorial decisions including the censorship of news, as well as the suspension of several senior SABC journalists who have broken ranks and questioned Motsoeneng's controversial decisions.

Members of the ANC sub-committee on communications who are expected to attend Monday's meeting include, party spokesman Zizi Kodwa, ANC Tshwane mayoral candidate Thoko Didiza, Public Works Minister Thulas Nxesi, ANC MP and former youth league leader Pule Mabe, as well as Deputy Minister of Co-operative Governance and Traditional Affairs Obed Bapela, among others.

Ahead of the ANC committee meeting, the beleaguered Motsoeneng met ANC Youth League president Collen Maine at the Southern Sun hotel in Pretoria on Thursday, where the two are believed to have discussed Motsoeneng's faltering grip and the league's support.

The meeting between Motsoeneng and Maine on Thursday night came in the wake of the youth league's statement which defended him while attacking critics who "suggest that there is something wrong at SABC or its leadership as "cowards". The meeting with the Youth League president happened as the MK Veterans' League also threw its weight behind Motsoeneng.

Speaking to The Sunday Independent on Friday, Mthembu dismissed suggestions that there were divisions within the ANC over Motsoeneng and his handling of SABC affairs.

“Members of the ANC (NEC) in that committee are at one. The minister is fully aware of this.

“The stance that we are taking does not mean we agree with the burning of property as much we don’t agree with censorship,” said Mthembu in an apparent reference to his denunciation of Motsoeneng’s decision to ban images of violent protests.

“It has never been the intention of the ANC to fight any individual or individuals within the SABC,” he said. “But we want to fix and restore issues of corporate governance within the SABC.”

Mthembu minced no words as he emphasised how censorship was “never ANC policy. This is a matter that speaks to ANC policy.

“The ANC charter on media forbids this. That charter has not changed. This is a policy position to all of us unless we change it at the national conference. This has been our policy position from when still fighting the apartheid state.

“We were clear on what kind of the public broadcaster we want. Censorship is a no-no in the ANC. We cannot deny the people the rights and freedoms they fought for. the right of South Africans to consume what they want. All the recent editorial decisions appear to have reversed the democratic gains,” he said.

“By the way, I’m not speaking for myself but for my organisation. Freedom of the press and information is unfettered in our policy positions.

“The SABC is an asset of our people. They can use any other policy but not the ANC policy to infringe on the rights of our people. Decisions which negatively impact on the people of South Africa cannot just be SABC board decisions.”

He reiterated comments he made at his earlier press briefing where he condemned Motsoeneng’s lack of qualifications.

Although he did not directly mention Motsoeneng by name, Mthembu said: “When you don’t have requisite skills and capacity, you cannot expect to have requisite outcomes. You can’t turn it (SABC) around with people without knowledge. It will be a pipe dream.”

Frustrations within the ANC about the SABC appear to stem from Muthambi’s reluctance to implement ANC policy resolutions with regard to among others, the digital policy and the role of the SABC board and management.

Another member of the committee who declined to be named said indications are that since the ANC’s Mangaung conference in 2012 and last year’s national general council, “those problems are still with us. “We have not moved an inch. The consequences can unfortunately only be seen in what is happening within the SABC.

“The ANC as a body needs to be seen to be speaking in one voice on policy matters but that is not happening,” she said in reference to Muthambi’s frequent clashes with the ANC on policy matters. Hopefully she will make it to the meeting on Monday.”

“We have raised these issues including the irregular appointments at the SABC. Irregular appointments put all of us in a bad light,” she said.

After its meeting this week, cabinet reaffirmed its support for media freedom, freedom of expression and the right of any person to access information in South Africa.

“The role of the SABC as the public broadcaster remains vital for the development of our young democracy. The current discussion over the SABC’s editorial decisions regarding the broadcasting of images of violence and destruction of property should be held in a constructive manner that would serve to strengthen our democracy.

“Cabinet remains confident that the public broadcaster will continue to serve the interests of all the people of South Africa,” the statement said.

The only matter that can stand in the way of Motsoeneng and the SABC’s board removal, according to ANC sources, are the forthcoming local government elections as party heavyweights are criss-crossing the country drumming up support for the local elections. It is believed the party’s sub-committee will brief ANC top six officials following its meeting Monday.

<http://www.iol.co.za/news/politics/d-day-for-hlaudi-motsoeneng-2043654>

Hlaudi's R167m Zuma TV deal

Mzilikazi wa Afrika, Sunday Times, 10 July 2016

SABC boss Hlaudi Motsoeneng overruled his staff to push through a R167-million contract with a production company co-owned by President Jacob Zuma's daughter Gugu Zuma-Ncube.

The chief operating officer reversed a recommendation by a review panel of six members, who had decided not to renew the popular Uzalo drama series for a second season.

Their concerns were that there was no proper business plan, the budget was "about 10 times that of a 13-part series" and there had been problems during the show's first season with "writing, aesthetics and delivery". It was originally bought as a limited-season "telenovela and that format ends at some stage, it's not a soap".

But when Motsoeneng heard about the decision, he stepped in and the three-year contract was "negotiated and signed off" within a week.

News of Motsoeneng's intervention comes amid a growing backlash against him following his decision that violent protests should not be covered on SABC news programmes, and allegations of political interference.

This week, several foundations called for a judicial commission of inquiry into the public broadcaster. They included the Chief Albert Luthuli, Desmond and Leah Tutu, Robert Sobukwe, Helen Suzman, FW de Klerk and Thabo Mbeki foundations.

The SABC is also facing a cash crisis and is negotiating loans of R1.5-billion as its reserves sink. One of the reasons given by insiders for the cash crunch is increased programming costs.

But the SABC was unfazed this week by the latest controversy.

"The SABC can confirm that the COO overruled the decision not to renew Uzalo, based on performance in its genre and growth in revenue," said spokesman Kaizer Kganyago.

But a respected TV producer said he was told by SABC staff members that Uzalo had become "a political tool at the SABC and that everyone was told it was a product of the president's daughter and that they must find money for it".

It airs three times a week on SABC1.

Cross to the right side, Hlaudi

The SABC paid R50.5-million for the first season of Uzalo. The review panel met in April last year to discuss a proposal by Stained Glass Productions, which is owned by Zuma-Ncube and Kobedi "Pepsi" Pokane, to extend the contract for a further three years, at a cost of R167-million.

The deal involves four seasons of the drama a year, with each season comprising 13 episodes. Season two began in February this year.

One of the panel members, who asked not to be named, said: "Someone told Gugu we were not going to re-commission Uzalo for the second season and apparently she and Pepsi went to Hlaudi to complain about our decision. The next thing we heard was that our decision not to re-commission was overruled from above."

Kganyago added: "The COO meets from time to time with production houses and all other stakeholders to address various issues. The SABC does not discuss its contractual matters in the public space."

An internal e-mail seen by the Sunday Times says that "at over R167-million this business plan would have to be signed by the board" and "one would imagine that this kind of budget would face the same fate as other business plans with smaller budgets sitting with GM TV finance office i.e. not getting signed".

Another SABC staff member said: "Everything was put on hold to channel their budget to Uzalo. The SABC could produce about 20 programmes with R167-million."

An industry insider said: "The average cost of a drama at SABC is R5-million. The average cost of a soap like Generations is about R80-million a year - and it is shown five nights a week and Uzalo is only shown three times a week."

Approached for comment, Zuma-Ncube referred queries to Pokane.

Pokane said the SABC had offered Stained Glass Productions a three-year deal, but would not confirm it was for R167-million. "You would have to direct any questions about the SABC's budgeting to the corporation itself," he said.

He denied that he and Zuma-Ncube had complained to Motsoeneng when they heard Uzalo was not going to be recommissioned. "We received a letter of intent to recommission. Therefore, there was no need to complain to anyone.

As I'm sure you're aware, all manner of SABC producers and presenters meet with Mr Motsoeneng. No one gets special meeting privileges."

Four of the review panel members - Clara Nzima, Maretha Bakkes, Vanessa Jansen and Reneilwe Sema - refused to comment this week.

This is not the first time Uzalo funding has caused controversy. The eThekweni municipality funded Stained Glass Productions with R5-million last year amid protests from the opposition.

This was after the company threatened to relocate filming from KwaZulu-Natal to Johannesburg in June last year unless the municipality gave it R11.5-million.

The municipality added a further R3.5-million in February.

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Will ANC pay for SABC crisis at the polls?

Karima Brown, Independent Media, 7 July 2016

Karima Brown looks at the buckling of the makeshift peace in the ANC over its succession race, amid the deepening crisis at the SABC.

The ceasefire between the warring factions in the ANC to get through the August 3 local government elections appears to have been shattered by Thursday's developments in the ongoing crisis at the SABC.

The makeshift peace over the party's looming succession race next year buckled under pressure when the ANC's NEC subcommittee on communications backed by the party's Secretary General Gwede Mantashe threw down the gauntlet and summoned Communications Minister Faith Muthambi to explain the irregular

practices and illegal editorial codes at the public broadcaster following the suspension of 7 journalists so far for either defying instructions to censor themselves or speaking out about the treatment meted out to their colleagues.

SABC says ANC statement is misleading

Muthambi has until Monday to provide the subcommittee with a full explanation. She is also expected to account for the lack of leadership and the crises that have engulfed the broadcaster in the wake of bombshell accounts by senior black staff including Vuyo Mvoko Lukhanyo Calata and Thandeka Qubule of bullying and political interference.

Muthambi, SABC board summoned to Luthuli House

These follow the dramatic resignation of acting group CEO Jimmy Matthews with his public admission that he was party to a policy censoring SABC journalists and news broadcasts and that he effectively perjured himself in an affidavit supporting controversial COO Hlaudi Motsoeneng in a key legal challenge to the COO's himself because he contradicted this account in a sworn document which is key legal challenge to the COO's continued controversial tenure at the broadcaster despite previous court rulings that his presence is both illegal and irrational.

On Thursday the MK Military Veterans Association joined the ANC Youth League in support of Mosoeneng in a clear sign of the battle lines being drawn against what the NEC subcommittee sees as the root cause of the current crisis.

Brown is Independent Media's Group Executive Editor.

<http://www.iol.co.za/news/will-anc-pay-for-sabc-crisis-at-the-polls-2043037>

South Africa

Economy faces Eskom shock

Justin Brown, Ciity Press, 10 July 2016

The economy is set for a shock from the combined blows of Eskom's move to hike the cost of two of its biggest new power stations by almost R83 billion and the utility's rising multibillion-rand debt.

This is likely to result in the power utility pushing for above-inflation increases in energy prices – to the detriment of businesses, households and economic growth.

At the same time, Eskom's higher costs are set to place extra pressure on the parastatal and government's creditworthiness.

“Ongoing schedule delays and insufficient time for front-end planning have affected the total cost of projects, especially at Medupi and Kusile. The board has approved revised business cases, thereby increasing the available amount to R145 billion for

Medupi and R161.4 billion for Kusile [previously R105 billion and R118.5 billion, respectively],” Eskom noted in its 2016 annual report, which was released this week.

This means that the utility expects the combined cost of the two new power stations will rise to R306.4 billion, as opposed to R223.5 billion.

This week, National Treasury director-general Lungisa Fuzile said that Medupi and Kusile were examples of how the government had planned “too optimistically”.

“We hadn’t built power stations in a long time and we lost capacity. First, the prices quoted were nominal prices. It’s a basic thing. It means that with inflation, every year the price will change. That does not necessarily mean a cost overrun.”

He said that the contracts for the stations did not spell out clearly enough the consequences of nonperformance in terms of time and costs.

“We got it right with the 2010 World Cup stadiums ... writing good contracts. It sounds very basic, but you don’t find it in the contracts [for the stations], so there are no consequences for overruns,” he said at a Gordon Institute of Business economic outlook conference.

If South Africa proceeded with building nuclear power stations, it would draw from the lessons learnt at Medupi and Kusile, he said.

Shaun Nel, spokesperson for the Energy Intensive User Group of Southern Africa, which represents the country’s largest industrial power consumers, said Medupi and Kusile were the most expensive coal-fired power stations in the world.

Nel said Eskom was in a “death spiral”, where the costs of its new power stations were significantly increasing and rising power prices were shutting off local power demand, which, in turn, would make it difficult for Eskom to recover its costs from local customers.

An inability to recover costs would likely see government having to bail Eskom out again in the future, he said.

Eskom’s recent annual report reveals that, in the previous financial year, “electricity sales in key segments, such as industrial, mining and commercial sales, are relatively stagnant, either at or nearing a 15-year low”.

Eskom’s power generation has declined for five consecutive years, and the utility’s energy output dropped 7% this year after peaking in 2011 at 237 430GWh.

Kamilla Kaplan, an Investec economist, said that continued above-inflation power price hikes would boost local consumer inflation, which is the key measure the central bank uses to set interest rates.

She said the hikes would also constrain the economy's production, given the weak economic growth environment.

"There can't be any further delays in the building of Eskom's new power stations as insufficient electricity supply is considered a structural constraint on potential economic growth," she added.

In another development, Chris Yelland, managing director of EE Publishers, said this week that, according to his estimates, the combined cost of Kusile and Medupi could increase by a further R113.6 billion.

His calculations take into account interest accrued during construction and outstanding contractor claims – and in the case of Medupi, the cost of installing a process to remove sulphur dioxide – making the total cost of both power stations as much as R420 billion.

But Eskom spokesperson Khulu Phasiwe said the utility would not be commenting on Yelland's estimates. "We comment on facts," he said.

Paul Marty, lead analyst for Eskom at Moody's Investors Service, said it was no surprise that Eskom had increased the expected price tag for Medupi and Kusile, adding that the extent of the extra outlay "wasn't insignificant".

Marty said the key driver of Eskom's credit rating was its support from government, which earlier this year fended off a downgrade to junk status, or sub-investment grade, from three major ratings agencies, including Moody's.

Anoj Singh, Eskom's chief financial officer, said that if the country's credit rating was cut to sub-investment grade, it wasn't expected to have a major effect on Eskom, which was already assessed at sub-investment grade.

Moody's and S&P Global both rate Eskom's creditworthiness at junk status, or at the first notch of sub-investment grade. Fitch still has Eskom's credit rating two notches above investment grade.

However, without government support, Fitch and Moody's rate Eskom's creditworthiness six notches below investment grade, while S&P rates Eskom seven notches below investment grade.

Marty said: "Eskom is in a challenging position. On a stand-alone basis, Eskom's baseline credit assessment is close to a default position, and the company is surviving because of government support."

But Singh said Eskom had its credit rating under control.

"The ratings agencies [of Eskom] had raised a number of key concerns that could result in a further ratings downgrade ... We are confident that our financial plan adequately addresses these concerns," he wrote in Eskom's latest annual report.

“A potential [South African sovereign] downgrade is already priced into Eskom’s debt,” Singh said.

Debt servicing is anticipated to increase over the next five years, driven by increases in interest repayments, as well as debt repayments as loans mature,” he said.

An S&P spokesperson said the company had no comment on Eskom beyond its most recent published research.

Fitch spokesperson Peter Fitzpatrick said the agency couldn’t comment as its lead analyst on Eskom was away.

Eskom’s debt was R322 billion at the end of March, and Anoj Singh, Eskom’s chief financial officer, said the utility was likely to take on another R327 billion in debt over the next five years.

Eskom’s latest annual report showed that the debt would grow at a rate of R68 billion a year for the first four years before dropping to R53 billion in the fifth year as part of R339 billion in planned capital expenditure in the next five years.

The power utility’s debt was likely to peak at “R500 billion-odd” after three years, Singh told City Press.

Investec’s Kamilla Kaplan said that “Eskom’s rising debt also increases the risk that the government could have to bail out Eskom again in the future at a time when the state is on a path of fiscal consolidation aimed at avoiding a downgrade in the country’s credit rating”.

Singh said that in five to six years, there would be “a lot of free cash flow”, and Eskom would be able to reduce its debt.

Paul Marty from Moody’s said, given that Eskom was continuing with its capital expansion and that its free cash flow, comprising operating cash flow less capital expenditure, would stay negative, it was expected that its debt would continue to increase.

Eskom announced this week that it had concluded loan agreements with the African Development Bank for R20 billion.

Singh said demand for power didn’t strictly follow GDP, but Eskom was optimistic that growth would pick up.

Eskom’s five-year projection was that local electricity demand would increase by 0.8% a year over the next five years, which equates to total electricity growth of 4% over the period.

Brian Molefe, Eskom’s CEO, said the utility’s international sales of power to the rest of Africa had increased because of a power surplus in the local market since August.

International sales were set to be a lot higher this year, he added, and Eskom was planning to drive growth via exports, said Singh.

Turning to costs, Singh said Eskom was expecting the price of coal to increase by between 6% and 8% a year over the next five years.

Eskom has signed 65 power-purchase agreements with independent power producers (IPPs), which would add 4 900MW of IPP capacity by March 2021.

So far, 3 392MW of IPP capacity has been connected to the grid, of which 2 145MW is renewable.

Ben Ngubane, Eskom's chairman, said: "South Africa's energy mix is expected to shift considerably towards renewable over the next two decades."

A key issue that Molefe raised was that the recently introduced IPPs were contributing just 4% to Eskom's energy production, but 18% of the utility's energy costs. "The high cost of IPPs is a concern," he said.

Eskom paid its executive directors R75.3 million, including R18.3 million in bonuses, in the previous financial year, up from R50.6 million the year before.

Molefe was paid R9.5 million, including a bonus of R2.5 million.

Ngubane said that Eskom executives had been paid bonuses due to their performance.

"The board has performed exceptionally well," he said.

<http://city-press.news24.com/Business/economy-faces-eskom-shock-20160710>

International

Argentina Seafarers Fighting State Seizure Of Union

International workers rally round

The Morning Star (UK), 9 July 2016

Transport workers around the world are rallying around their comrades in Argentina where the right-wing government has seized control of seafarers' union SOMU.

The International Transport Workers Federation (ITF) complained to the International Labour Organisation on Thursday after the union's leaders were hounded out of office by methods "taking us back to the era of the military dictatorship."

The ITF demanded that the government immediately hands back control of the union to its elected leadership and its members.

“This interference by the Argentinian government restricts the rights of SOMU, its officials and its members to organise their administration and activities in full freedom,” the ILO complaint reads.

ITF general secretary Stephen Cotton has written to congresswoman Gladys Gonzalez — who describes herself as the new leader of SOMU since the government takeover.

Argentinian President Mauricio Macri has embarked on an ideologically driven campaign of mass redundancies in both the public and private sectors since his election late last year.

SOMU leader Enrique Omar Suarez was close to left-wing former president Cristina Kirchner.

<http://www.morningstaronline.co.uk/a-65e2-Argentina-Seafarers-hit-back-at-state-control-bid#.V4CTtfI9600>

Comment and analysis

The rise of Label Weaponry and the shattering of public discourse

Marianne Merten, Daily Maverick, 8 Jul 2016

Anarchists, hooligans, opportunists, third force. Elements pushing a regime change agenda. These labels have increasingly featured in the public discourse courtesy of the governing ANC. Who is at the receiving end of such characterisation? Anyone challenging the dominant power structure – from NGOs and trade unions to opposition parties to students. Heavy on insinuation but light on specifics, it’s a tried-and-tested ANC tactic to shut down contestation, but the result is a Pontius Pilate-like washing of hands by the governing party over its failure to resolve the internal conflicts that infect the broader body politic.

The run-up to the 2002 ANC Stellenbosch national conference successfully used labels – then it was “ultra-leftist” – to isolate those aggrieved by the then economic regime of the Growth, Employment and Redistribution (Gear) programme. At the time, trade unions, labour federation Cosatu and the South African Communist Party (SACP) vocally opposed the road taken by then president Thabo Mbeki. Slammed as anti-worker and a neoliberal favouring those already favoured in the economy, opposition to Gear meant relationships in the tripartite alliance sank to an all-time low.

That ANC conference deemed ultra-leftism counter-revolutionary, just like neoliberalism, amid criticism of “careerists” and those “too many moneyed people used to buying their way” into the ANC, as it was put by then secretary-general Kgalema Motlanthe. Instead there was the call for the “RDP of the soul” and, according to the Mail & Guardian, a new cadre to guard against corruption of fellow

comrades, to selflessly serve communities, to identify needs timeously and to “defeat the concept that service in local government means catching the last coach of the gravy train”.

Fast-forward a decade to the 2012 Mangaung ANC conference. Amid condemnation of slates, or the practice to elect predetermined sets of leaders, the call for a “new cadre” again emerged. These “new cadres” were to be forged, according to the conference resolutions, over the next decade through political education, academic training and skills development.

“This includes a deliberate and extensive leadership programme at all levels of the democratic movement as part of giving effect to the call made in the 2000 NGC (national general council) for a ‘new cadre’,” said the Mangaung resolutions. “As we mark the centenary, we are determined to enhance the ANC moral standing and image among the masses of our people, and address the sins of incumbency. In this regard, we shall combine political education with effective organisational measures and mechanism to promote integrity, political discipline and ethical conduct and defeat the demon of factionalism in the ranks of the ANC, alliance and broad mass democratic movement.”

The resolution came four months after police killed 34 miners at Marikana. For months, tensions brewed between Cosatu’s National Union of Mineworkers (NUM) and the Associated Mineworkers and Construction Union (Amcu), which had clinched a more favourable deal for rock drillers at Impala Platinum in early 2012. At the time the NUM, then headed by general secretary Frans Baleni and president Senzeni Zokwana (today the agriculture minister), had declined to negotiate for those doing the most back-breaking work on the lowest salaries.

The response from the comfortably entrenched labour elites – NUM at the time was Cosatu’s largest union – was to label Amcu as upstarts, to try to delegitimise its leadership as disgruntled expelled former NUM members. Yet that had happened 14 years earlier and Amcu, formally registered as a trade union in 2001, was firmly entrenched in the coalfields around eMalahleni, reaching out elsewhere in the mining sector. It had done the work: organise, recruit and represent workers and their interests.

Instead Amcu leader Joseph Mathunjwa was described as a “spy” who was in touch with Western agents, in at least one (discredited) intelligence dossier, which took a similar line on then Cosatu general secretary Zwelinzima Vavi amid the ructions in Cosatu from 2013. Similarly, Numsa and its leadership were labelled “opportunists” and “factory faults” on the tense road that ultimately led to the metal workers’ union’s expulsion in November 2014.

Coincidentally, the spy label was also stuck on Public Protector Thuli Madonsela during the Nkandla probe by Deputy Defence Minister Kebby Maphatsoe. Also thus labelled were former DA parliamentary leader Lindiwe Mazibuko, Economic Freedom

Fighters leader Julius Malema and others, in a discredited blog. Nevertheless the State Security Agency (SSA) decided to investigate this.

The politician in charge, State Security Minister David Mahlobo, has since insinuated that there were ulterior motives in last year's #FeesMustFall student protests, said to have received foreign funding. And in his budget speech briefing in April, Mahlobo claimed NGOs were not what they seemed: "There are those who are used as NGOs, but they are not. They are just security agents that are being used for covert operations."

This week Higher Education Minister Blade Nzimande, the SACP top commissar, according to Business Day, told the Young Communist League that "students should not be demanding free education from the state, they should be demanding it from the capitalist classes".

Yet the Freedom Charter, which the ANC and its alliance partners hail as South Africa's founding document underlying the Constitution, states, "Education shall be free, compulsory, universal and equal for all children; higher education and technical training shall be opened to all by means of state allowances and scholarships awarded on the basis of merit."

In the current state of the public discourse, perhaps it's easier to blame nameless, faceless capitalist classes than own up to government policy misfires.

Similarly, Nzimande, who led the criticism of Numsa, put the troubles in the tripartite alliance on "... forces from outside this country, possibly working with forces inside this country who have no interest in seeing a successful and revolutionary alliance".

Failure of the alliance partners to meet regularly, to stick to a determined alliance programme outside election times, and repeated inaction by the ANC on its partners' concerns, including the SACP's misgivings about the politically connected Gupta family, suddenly don't seem to matter. Again, it's easier to blame unnamed, faceless forces, than look at in-house quandaries.

It is in this context that Cosatu president S'dumo Dlamini can tell The Justice Factor that the labour federation was not involved in the SABC staff suspensions because no one had approached it or any of its affiliates. In any case, said Dlamini, there should not be a blurring of the lines between labour issues and the political.

Yet the National Education Health and Allied Workers' Union (Nehawu) has been looking for a political solution for the fractured labour relations at Parliament following the unprotected strike over performance bonuses and conditions of work late last year. Seven months down the line, and despite a series of meetings with presiding officers, the political solution remains elusive.

Instead, Parliament has accused Nehawu of "a political agenda to destabilise Parliament". Or, as the national legislature put it in May: "This is a clear political

agenda masquerading as a shop floor matter waged against Parliament and the Secretary to Parliament by individuals who have declared that they want to render important parliamentary business 'unworkable' and the institution 'ungovernable'."

And so the labels of opportunists, anarchists and hooligans – also readily and regularly dished out by the ANC parliamentary caucus to EFF MPs amid the past two years' terse politicking in Parliament – remain strongly in play on all fields.

The claims of underhand shenanigans from the governing ANC are coming faster and more furiously. Perhaps it's the election campaign trail that has flipped on hyperdrive.

In Tshwane, as in Vuwani, the ANC and the government it leads insisted that opportunists, criminal elements and shadowy forces fanned the protests. What has emerged, however, indicates a very different picture – one in which a significant role is played by those local and regional ANC interests feeling threatened by a new set of dynamics.

In Tshwane, it was the parachuting in of Thoko Didiza, one of Parliament's three house chairpersons, as ANC mayor candidate, rather than the continuation of the prevailing arrangements that benefited the elites. In Vuwani, it was redemarcation that lit the proverbial fire to ensure that elite interests would continue. And so schools burnt, buses went up in flames, and foreign-owned spaza shops once again were looted and set alight.

It's not always the case that factional interests burst into violence. The system of governance, with the selective blurring of the lines between party and state amid the ANC's deployment policy, allows for the ticking of boxes without heed to substance so it all looks good on paper.

The controversy over the SABC, which has now ruptured publicly amid protests over censorship, seven staff suspensions and one resignation, has been in the making for a long time. One of the main culprits is Parliament, whose communication committee has been derelict in its oversight and legislated role. Six of the 12 non-executive seats on the public broadcaster's board are vacant, and have been for up to two years.

The factional sea changes over whether the ANC approves the direction taken by SABC Chief Operating Officers Hlaudi Motsoeneng – perhaps in part sparked by the ANC's tendency to close ranks when perceived to be challenged, even if only by DA court challenges – have not made things easier. One casualty was committee chairwoman Joyce Moloi-Moropa, who is also SACP treasurer, who earlier this year resigned as ANC MP after effectively finding herself isolated following a brief bloom of oversight.

It is against this background that Tuesday's ANC statement on the SABC must be considered. Opposing "any actions that infringe on our people's rights to hear and

see what they want to hear and see”, ANC chief whip Jackson Mthembu, who is also chairman of the national executive committee (NEC) communications subcommittee, said there would be a meeting on Monday with Communications Minister Faith Muthambi, the ANC deployee to Cabinet responsible for the SABC. Until then the ANC’s contribution to the public discourse regarding the public broadcaster has been to insinuate ulterior motives behind the ructions.

Using labels has several consequences. It reinforces a binary world view of good and evil, in which a hero comes to the rescue. This disempowers just about everyone by removing agency of individuals and communities, be they residents of a particular locale or interest groups like students, trade unions or NGOs. And it makes it easy to feather and tar those who speak out before the anointed hero arrives.

Throwing about labels also means sidestepping critical introspection. The aim is to cast off criticism by delegitimising the other as opportunists, hooligans or even a third force, an echo to the nefarious networks of state security agents and their lethal role in the anti-apartheid struggle of the 1980s and 1990s.

The ANC’s resort to labels in the public discourse also further widens the already open door to securocrats – and the view that those not toeing the dominant factional line as they pursue their struggles, be they students, civil society activists, unionists or investigative journalists, can be targets of surveillance.

And so the public national discourse lies shattered. It comes at a heavy price.

For the first time in 22 years concerns are being voiced, including from the Electoral Commission of South Africa (IEC), about the re-emergence of political violence, and not just in KwaZulu-Natal. Several ANC councillor candidates have been killed, as have others from other political parties, while election meetings are disrupted and political rivals clash countrywide.

It is high time to deal with the underlying fundamental issues, no matter how messy or testing these might be in a society as unequal and disparate as South Africa’s.

<http://www.dailymaverick.co.za/article/2016-07-08-op-ed-the-rise-of-label-weaponry-and-the-shattering-of-public-discourse/#.V3-cnU3lrIU>
