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

New federation

Large new labour federation will not be politically aligned, Zwelinzima Vavi says

Karl Gernetzky, Business Day, 1 September 2016

A PROPOSED new labour federation looks set to be much bigger than the Congress of South African Trade Unions (Cosatu), having attracted the interest of 57 unions.

Unions preparing for the launch of the new federation are expected to announce a launch date within next three weeks, steering committee convener Zwelinzima Vavi said during a briefing in Johannesburg.

The proposed new federation incorporating break-away Cosatu unions and those independent of it, has been in the offing since the expulsion of the National Union of Metalworkers of SA (Numsa) at end of 2014.

Vavi said the new federation would be strictly unaligned politically, after growing concerns of disaffection over political parties both evident in the results of the August 3 local government and in the continued fragmentation of organised labour, he said.

"There is a crisis of representation, and our people are less clear about who exactly represents their interests," Vavi said.

"We have wasted 22 years where we should have clinched a unity of workers that is meaningful, because there was an insistence by some that we should be married politically," he said.

Vavi reiterated that the slow pace of the federation's formation was due to the need not to repeat past mistakes in organised labour. This included a lack of accountability of leaders to worker issues.

Vavi said it took Cosatu four years to fully form in the 1980s — despite a clear and overt enemy in the form of the apartheid government.

Many of the 57 possible members are part of already existing and functioning federations, namely the Federation of South African Unions (Fedusa) and the National Council of Trade Unions (Nactu), which would have to put the question of participating in a new federation to members at a national congress.

The Food and Allied Workers Union (Fawu) is the latest union to leave Cosatu, after taking the decision in August.

<http://www.bdlive.co.za/national/labour/2016/09/01/large-new-labour-federation-will-not-be-politically-aligned-zwelinzima-vavi-says>

Vavi & Co: New union federation almost ready to launch

Greg Nicolson, Daily Maverick, 1 Sep 2016

The constitution has been written; the name and logo will come soon. Within weeks, Zwelinzima Vavi and his cohort of non-Cosatu-aligned unions are expected to launch their new federation. What makes it distinctive, they say, is that their only political alignment will be to the working class.

Former Cosatu General Secretary Zwelinzima Vavi on Thursday said plans to establish a new trade union federation are well under way and its first campaigns will focus on organising workers in the formal and informal sectors and fighting job losses. Vavi, who was speaking as the convenor of the steering committee to form a new federation, said unions are discussing a draft constitution, a name and logo, and will meet within three weeks to choose a launch date.

While 57 unions have expressed interest in joining the new federation, 31 unions were represented in a meeting on Tuesday to discuss the way forward. Said Vavi, reading from the steering committee statement:

“One thing on which we can all agree is that a strong, militant workers’ organisation is more necessary now than ever, given the fateful combination of the employers’ offensive, the mushrooming of casualisation, the burgeoning army of vulnerable, marginalised, often isolated workers, and in particular unorganised workers who make up a staggering 76% of the labour force.”

“One thing has become even clearer: Cosatu cannot unite workers following its purging of hundreds of thousands of its members for political reasons,” he added.

“There will be no realisation of the dream of ‘one country one federation’ by unions that insist on sleeping with worker’s class enemies.”

Vavi, whose dismissal from Cosatu, along with the expulsion of the country’s largest union, the National Union of Metalworkers SA (Numsa), directly led to discussions on forming a new federation, was talking about Cosatu and the ANC’s acquiescence to capitalist policies:

“In carefully thinking through how other federations and many unions have degenerated and become paralysed, fragmented, intolerant and ineffective, we have attempted to build in measures to the constitution that pay more than lip service to

crucial principles and that will instead offer a vibrant, inclusive and tolerant space for workers to discuss the challenges they face. We hereby pledge that workers will not be expelled for holding different views to the leadership or the majority of other workers.”

He said the new federation’s constitution would be a “living document” ensuring the gap between union leaders and members is reduced, while unions push for accountability and democracy.

The unions have agreed the federation should be politically independent and would refuse “cosy deals” with employers, including government. It will, however, take political positions aligned to the working class. “This is what makes us distinctive,” said Vavi.

The new federation remains open to other unions and members who want to join and Vavi said its attempts to unionise informal sector workers such as recyclers and home workers would be a crucial step forward for the labour movement.

“We are breaking new ground, and increasing numbers of workers, even from within existing unions outside of the steering committee are reaching out to us because they recognise that we are not fatally compromised or at the mercy of those seeking a well-paid career. We know which side we are on, and intend to ensure that the entire working class is beside us.”

Vavi also fired a shot at the Hawks for the targeting of Finance Minister Pravin Gordhan. He said it amounted to President Jacob Zuma launching “a second attempt to stage a coup in the Treasury”, the first being when Nhanhla Nene was replaced last year. The Gupta family, he said, wants to run the Treasury to appoint their own “sycophants in the state enterprises and critical departments”.

Thursday's press conference followed a decision by the Food and Allied Workers Union (Fawu) last week to leave Cosatu. Fawu, which made the decision at a national congress, has had an acrimonious relationship with the Cosatu leadership since the expulsion of Numsa and dismissal of Vavi and challenged the federation to reverse the moves in two congresses last year. “The decision taken is irreversible. It will be undergoing implementation as of now,” said General Secretary Katishi Masemola last week.

Cosatu claimed Fawu's decision came after divided leaders “split an already weakened union for their narrow political reasons”, which Fawu's leadership has denied. Cosatu said it would continue to engage members who did not support the split and that it wanted to recoup R5-million Fawu owes in affiliation fees. The union has 13,000 members across the country.

“They must go and jump and they will not get a single cent. They must go and deal with crisis that they dismissed hundreds of thousands of workers because they didn’t agree with their political stance,” said Vavi on the fees Fawu owes Cosatu. Some of the money owed was due to the union’s decision to stop paying political levies, said Raymond Mnguni, Fawu deputy president.

In his address to the Fawu congress, Vavi was scathing in his comments on Cosatu.

“Fawu can’t go back to Cosatu because there is no Cosatu to go back to. They have killed the federation of Elijah Barayi, Jay Naidoo, Liz Abrahams, Oscar Mpetha, and Ray Alexander. What exists now is the Federation of Sidumo Dlamini, Michael Makwayiba, Lieutenant-General Zizamele Cebekhulu and Mugwena Maluleke. There is one thing they all have in common. They were not there when Cosatu was formed. They have nothing to show in terms of their own involvement in a struggle against apartheid and its bosses.”

Cosatu leaders have mocked the attempt to begin a new federation. At a central executive committee meeting last week it announced plans to demonstrate against labour brokers, e-tolls and retrenchments while demanding the introduction of a national minimum wage.

On the ANC’s decline in support at the local government elections, the CEC said, “The ANC needs to rescue its government from the stranglehold of national Treasury and the iniquitous ratings agencies by implementing its progressive policies and resolutions adopted in Polokwane and Mangaung respectively.” It added, “The ANC cannot continue to allow the pillaging of the state resources through the tender system and also tolerate the wasteful expenditure of government and inefficiencies of state-owned entities.”

Both Cosatu and Vavi’s new federation state similar goals. The success of the new federation will be determined by whether its political independence means it can do more for workers than Cosatu, and whether it is able to follow talk with meaningful action.

<http://www.dailymaverick.co.za/article/2016-09-01-vavi-co-new-union-federation-almost-ready-to-launch/#.V8j1O03IrlU>

Cosatu won’t recoup a cent from Fawu, says Vavi

Zintle Mahlali, Independent Newspapers, 1 September 2016

Johannesburg - Cosatu can forget about recouping the more than R5 million it is owed by its former affiliate, the Food and Allied Workers Union (Fawu), says Zwelinzima Vavi, the convener of a new labour federation.

Vavi, who was shown the door by Cosatu last year, said Fawu’s historical congress last week, which saw the union voting to leave the federation, proved even more that a new union body was needed.

He was addressing journalists on Thursday as the convener of the steering committee of unions which are involved in forming the new federation, which is set to be launched by next year.

“They must go and jump and they will not get a single cent, they must go and deal with crisis that they dismissed hundreds of thousands of workers because they didn’t agree with their political stance,” said Vavi, referring to Cosatu’s dismissal on the National Union of Metalworkers of SA.

Vavi, who was wearing a Fawu T-shirt, looked pleased as he welcomed the union “home” to join about 35 unions in launching the federation.

Fawu deputy president Raymond Mnguni admitted that the union owed Cosatu the money, but said the federation should not apply double standards on its demands for levies from unions when a number of its unions were just as guilty.

“We don’t say that we don’t owe Cosatu, but some of those issues that they are raising with regards to the R5 million is with regards to political levies. And not all unions with Cosatu were paying those levies. The congress was very clear, that you walk out of that Cosatu and you go and help form the new federation,” said Mnguni.

On the matter of Cosatu claiming that Fawu had purged its members from KwaZulu-Natal who did not participate in the congress, Vavi and Mnguni strongly denied this. They said that the group had failed to reach consensus on various issues before the congress.

“The allegation that Fawu has purged KZN members is unfounded. The constitution imposed that every branch regional structure must hold a congress and have a mandate from their members. Every person who goes to that congress is representing a consistency. And the case of KZN they are divided, they couldn’t agree and were given an opportunity three times,” said Vavi.

<http://www.iol.co.za/news/politics/cosatu-wont-recoup-a-cent-from-fawu-says-vavi-2063525>

Vavi warns against removal of Gordhan

Montlonyane Diphoko, SABC, 1 September 2016

Zwelinzima Vavi, has warned against any decision to remove Finance Minister Pravin Gordhan from his position.

Vavi, the convener of the Steering Committee of a new union federation, was addressing a conference in Johannesburg about the scheduled launch of his federation, in three weeks.

The former Secretary General of the Congress of South African Trade Unions (Cosatu) says there have been rumours about a decision to reshuffle the Finance Minister and his Deputy, Mcebisi Jonas.

He strongly warned against any such decision: “Stay away from treasury if you know what is good for you - hands off Pravin.”

Vavi also reacted to what he called the world's right-wing agenda to destabilise socialist governments in South America. He commented on the political instability afflicting Brazil, Argentina and Venezuela.

He has lamented recent protests in these countries, saying they are part of the global right-wing agenda to remove socialist rule.

“It is an assault on the governments of the left... right wingers have launched an assault. They want to stage coups in those countries.”

The new federation claims it has already registered 35 worker unions, with 2 million members.

Vavi says they'll not go into any alliance with political parties, but will focus on labour issues.

<http://www.sabc.co.za/news/a/3bbf004e1491b390e4f03415568507/Vavi-warns-against-removal-of-Gordhan-20160901>

South African workers

Wage talks put early brakes on possible industry unrest

Bloomberg/ Business Day, 1 September 2016

SOUTH African units of automakers including Nissan Motor Co and Volkswagen AG are confident they are close to striking a wage deal with labour unions, a development that would help prevent strike action that has hampered the industry in the past.

"We are in what I would consider the final stages and the positive is that I think both parties feel that we are within sight of finding a solution," Mike Whitfield, president of the National Association of Automobile Manufacturers of SA (Naamsa), said in an interview at an auto industry conference north of Johannesburg on Thursday. "As an industry we don't believe we're far away."

The carmakers are negotiating a three-year deal, said Whitfield, who is also head of Nissan's Africa operation. He didn't give further details of the employers' offer.

The industry, while small by global-production standards, is an increasingly important contributor to South African exports and among the few bright spots in an economy that's forecast not to grow this year.

While BMW AG, Ford Motor Co and Volkswagen have announced R13bn of investment in SA in the past year and a Chinese state automaker announced plans for an R11bn plant in the country this week, executives have warned repeatedly that the industry would suffer from another extended stoppage.

A two-week strike in 2013 cost the sector at least R20bn in revenue, Naamsa said at the time. The stoppage was followed by a strike in the car-parts industry the same year and workers in the metals sector also downed tools in 2014, forcing some carmakers to stop production because of component shortages.

Formal bargaining between the National Union of Metalworkers of SA (Numsa) and the Automobile Manufacturers Employers Organisation began in June, Numsa general secretary Irvin Jim said at the time.

"It's been a challenging period for everyone because no one wants to have the disruptions," Whitfield said. "It sends a very bad signal to investors."

Naamsa sees South African vehicle output at about 630,000 units this year, more than half of which will be exported, Whitfield said in a speech at the conference.

<http://www.bdlive.co.za/national/labour/2016/09/01/wage-talks-put-early-brakes-on-possible-industry-unrest>

Cosatu calls for restraint from CWU and SACP

Karl Gernetzky, Business Day, 31 August 2016

TRADE union federation Cosatu on Wednesday called for restraint between its affiliate, the Communications Workers Union (CWU) and the South African Communist Party (SACP), following an exchange of "verbal hand grenades" this week.

On Monday the CWU criticised the SACP's alleged absence on matters affecting employees. The CWU also alleged that the SACP had joined with "neo-liberal forces" to undermine the union's presence in companies in which it organises, including the SABC and ANN7.

In June, the SACP in Gauteng joined protests over editorial policies at the SABC, marching on the broadcaster's Auckland Park premises to protest transformation and the treatment of workers.

CWU general secretary Aubrey Tshabalala said during a briefing on Monday that the union "read with shock and disbelief" that the SACP was calling for the establishment of workplace forums within companies in which the union organised.

"This is a clear indication that the party fails to appreciate the current challenges faced by workers at plant level, and the fact that the so-called company forums have been used in companies to oppress and depoliticise workers, and to ultimately exploit them," Tshabalala said.

The CWU further criticised ANC secretary-general Gwede Mantashe as the "main embodiment of the extreme form of arrogance that is being associated with the ANC lately".

The CWU maintains that Mantashe has failed to meet the union to address its concerns over state-owned enterprises. However, such a meeting is scheduled for Friday.

On Tuesday the SACP said the criticism by the CWU was unwarranted. The party would seek to meet the CWU in Gauteng to deal with real or perceived fears of the party's presence in the suggested workplace and was confident the matter could be dealt with.

"Whilst we do not seek to engage our alliance partners, especially worker leaders in the media, this venomous and slanderous attack seems to bear great resemblance and to fit neatly into the current and existing scheme of factional gangs and networks in our movement," the SACP said in a statement.

"These are factional schemes and gangs with links to the accumulation regime at state-owned enterprises," said the SACP.

On Wednesday Cosatu called for an end to attacks and the public trading of insults, expressing confidence in both the tripartite alliance and the CWU leadership.

"The federation is calling for calm and restraint from both parties because this exchange of verbal hand grenades and savage invectives will only serve to embolden and also give comfort to our enemies," Cosatu national spokesman Sizwe Pamla said.

<http://www.bdlive.co.za/national/labour/2016/08/31/cosatu-calls-for-restraint-from-cwu-and-sacp>

Wage dispute continues at Sasol Coal Mine in Mpumalanga

Siphophile Kunene, SABC, 31 August 2016

The salary adjustment battle continues at the Sasol Coal Mine in Secunda, Mpumalanga.

One of the five unions Association of Mineworkers and Construction Union (Amcu), who have been on strike since last Thursday are demanding a minimum wage of R12,500 a month.

Four other unions have accepted a 7% increase.

A total of eight shafts have been affected by the strike. Amcu workers believe their demands are reasonable.

“Our CEO earns millions per year. We want only R12 500 per month which is not much. 7% of 7 000 is too little,” says a miner.

Another miner says, “We have kids to feed. We have lives. We cannot even rent decent flats.”

Striking workers have vowed not to return to work until their demands are met.

Amcu Mpumalanga Regional Secretary John Sibiya says, “The strike will go on until the employer gives us the R12 500 which should be a salary for everyone. The employer is offering so little.”

SASOL has put contingency plans in place and are hoping for an end to the standoff.

Sasol mining’s Lucky Kgatle says, “The Company has concluded the negotiations with four of the five unions, it is only Amcu that is not satisfied. Others have signed the 7% that the company offered. But we will continue to negotiate with Amcu to find an amicable solution.”

Striking workers are threatening to march to the Sasol head office in Rosebank next week.

<http://www.sabc.co.za/news/a/531621004e116c3eadf4fd3415568507/Wage-dispute-continues-at-Sasol-Coal-Mine-in-Mpumalanga-20160831>

Amcu demands salary increase

Ridge Times, 31 Aug 2016

AMCU is demanding wages of R12 500 and Sasol Mining apparently offered seven per cent for the present and five per cent from January.

HIGHVELD – Members of the Association of Mineworkers and Construction Union (Amcu) took to the streets to demand a wage increase.

Sasol Mining employees were picketing at the eMba/Charlie 1 road on Thursday, 25 August.

This came after the union and Sasol Mining could not meet common ground over wages during negotiations on 23 and 24 June.

Amcu is demanding wages of R12 500 and Sasol Mining apparently offered a seven per cent increase for the present and five per cent from January.

According Mr Patrick Ndlovu, Amcu Regional Organiser, they will be peacefully picketing in the area.

“We are calling on Sasol to consider their employees and do the right thing.

“The money we are earning is too little and does not meet our needs.”

He also slammed other unions at Sasol and said they are selling out workers by always agreeing with the employer.

“These people do not represent the workers, but do everything in their own interest.”

He said they will hand over a memorandum at Sasol Rosebank.

“This is a peaceful march and we are fighting for better wages.

“We will continue until our demands are met,” said one of the marchers.

The union disputed the allegations that its members assaulted employees who were not protesting.

Mr Alex Anderson, Head of Group Media Relations, said Amcu notified Sasol of a protected strike that commenced on Thursday, 25 August and that the notice impacts the Sasol Mining business in Secunda.

“We have received reports of sporadic incidents of violence and intimidation.

“We remain committed to the safety of our employees, contractors and the community.

“An isolated incident of vandalism of one of the conveyer belts over the weekend had a limited impact on part of our mining operations. However, repairs were undertaken and operations have resumed.

“Sasol’s Secunda Synfuels Operations continue as normal with no impact on liquid fuels and chemicals production.”

Mr Anderson said according to their records, approximately 300 employees are participating in the strike.

“Sasol has put contingency plans in place to ensure that safe, reliable and stable operations are maintained during this time.

“We will continue to proactively monitor the situation.

“While Amcu has asked for a minimum wage of R12 500 per month for its members, the packages for our unionised employees at Sasol Mining are already above this

amount. Our entry level employees at our mining operations earn a total package of R15 895, including monthly travel allowances.

“We will continue to engage Amcu to bring a swift and amicable resolution to this matter.”

<http://ridgetimes.co.za/71706/amcu-demands-salary-increase/>

South Africa

Call grows for Zuma to quit

Luyolo Mkentane, The Star, 1 September 2016

Johannesburg - More ANC structures are seeking President Jacob Zuma's removal following the party's electoral disaster that saw three key metros fall to the DA.

The ANC's Sefako Makgatho branch in Joburg has become the latest party structure to call for Zuma to resign, together with the national executive committee, which is viewed as sympathetic towards him.

It said Zuma's "lack of integrity and morals", the corruption charges, and the Constitutional Court judgment on Nkandla were some of the issues raised by voters during the election campaign.

This comes after party structures in the Nelson Mandela Bay and Buffalo City metros in the Eastern Cape called for the ANC leader to resign, after the ANC's national support dropped from 62 percent to 54 percent during the August municipal elections.

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The Sefako Makgatho branch has also endorsed calls by the SACP for a consultative conference to address challenges dogging the party.

The branch said it was now lobbying other ANC structures to support its resolutions of a special branch general meeting held on Tuesday.

It called for the implementation of free, quality education and the formation of a task team of ANC stalwarts to take the party to a national consultative conference.

Branch chairman Sasabona Manganye and secretary Mpumeleli Vabaza said they were "lobbying other structures of the organisation" to support their resolutions.

The ANC Youth League has called for an early conference to elect a new leadership of the ANC. Responding to the call on Tuesday, ANC secretary-general Gwede

Mantashe said the idea was not suppressed, but could be debated only by ANC structures.

The early elective conference call would be welcome if it was aimed at “unifying the ANC and providing leadership to society”, Mantashe said.

<http://www.iol.co.za/news/politics/call-grows-for-zuma-to-quit-2063337>

ANC Women's League: Youth have sold out

Beatrice Shongwe, News24 , 1 Sep 2016

The African National Congress Women's League has applauded Mpumalanga residents for not selling the country to the “enemy” during the elections earlier this month. By for News24

Mbombela – “Our own children that we have carried during apartheid on our backs have turned against us. They are selling the land to the enemy of our late father, Nelson Mandela,” ANCWL deputy president Sisi Ntombela said at a public meeting in Matsulu, outside Mbombela, on Friday.

Elders and pastors at the event were each given a toiletry bag and Kentucky Fried Chicken.

Ntombela was referring to the younger generation who voted for parties like the Democratic Alliance and the Economic Freedom Fighters in the August 3 local government elections.

The league came to thank Mpumalanga residents for voting for the party during the August 3 local government elections. The party won 70% of the votes in the province, down from 78% in the 2011 local government elections. The DA got 12% in 2016 and 13% in 2011.

Biblical betrayal

Ntombela compared the youth’s betrayal of the party to Judas’s betrayal of Jesus.

“This is the same thing that Judas Iscariot did to Jesus in the Bible, but he didn’t even enjoy the money that he got from selling Jesus to the enemy.

“Our grandparents want to die because they don’t want to see what is going to happen in the future. We are sold by our own people. I am sure Mandela will die seven times,” said Ntombela.

She told the crowd that black people were told that black leaders were corrupt.

"When you see Nkandla you say the president is corrupt, and even the people who have RDP houses and receive social grants say the ANC is corrupt."

Some pastors vowed to continue praying for the party.

“The God Almighty will see us through these tempting times in our country. Continue to work for the people and we will continue to pray for you,” said pastor Julius Mahlobo.

<http://www.dailymaverick.co.za/article/2016-09-01-anc-womens-league-youth-have-sold-out/#.V8h8UU3lrIU>

International

Brazil's Dilma Rousseff ousted by Senate, Michel Temer sworn in

Mail & Guardian/Reuters, 1 Sep 2016

Brazil's Senate ousted President Dilma Rousseff on Wednesday, ending an impeachment process that polarised Latin America's biggest country amid a massive corruption scandal and brutal economic crisis.

Senators voted 61-20 to convict the country's first female president for illegally using money from state banks to bankroll public spending, marking the end of 13 years of leftist Workers Party rule.

Rousseff's opponents hailed her removal as paving the way for a change of fortunes for Brazil. Her conservative successor, Michel Temer, the former vice-president who has run Brazil since her suspension in May, inherits a bitterly divided nation with voters in no mood for the austerity measures needed to heal public finances.

In his first televised address to the nation after being sworn in as president through 2018, Temer called on Brazilians to unite behind him in working to rescue the economy from a fiscal crisis and over 11% unemployment.

"This moment is one of hope and recovery of confidence in Brazil. Uncertainty has ended," Temer said in the speech broadcast after his departure for a G20 summit in China.

Until just a few years ago, Brazil was booming economically and its status was rising on the global stage.

The country then slid into its deepest recession in decades, and a graft scandal at state oil company Petrobras tarnished Rousseff's coalition. Millions took to the streets this year to demand her removal, less than two years after she was re-elected.

A string of corruption scandals, led by the Petrobras scheme, has engulfed vast swaths of Brazil's political class and business elites over the past two and a half years.

Temer will likely face tough opposition from the Workers Party both on the streets and in Congress to his agenda of privatisations, reforms to Brazil's generous pension and welfare laws and a public spending ceiling he hopes lawmakers will pass this year.

For the third straight day, pro-Rousseff demonstrators in Sao Paulo, Brazil's largest city, clashed with riot police, who used tear gas to clear the streets.

Defiant to the end, Rousseff, a former leftist guerrilla who was tortured and jailed under military dictatorship in 1970, vowed to fight on in defense of Brazil's workers.

Standing outside the presidential residence flanked by supporters, she insisted on her innocence and said her removal was a “parliamentary coup” backed by the economic elite that would roll back social programs that lifted millions of Brazilians out of poverty over the last decade.

“They think they have beaten us but they are mistaken,” Rousseff said, adding that she would appeal the decision using every legal means. “At this time, I will not say goodbye to you. I am certain I can say ‘See you soon’.”

The end of the Workers Party’s long grip on power sparked angry reactions from leftist governments across the region.

Venezuela, Bolivia and Ecuador withdrew their ambassadors, and Brazil responded by recalling its envoys for consultations. Cuba’s Communist government branded Rousseff’s ouster part of an “imperialist” offensive against progressive governments in Latin America.

The US State Department voiced confidence that strong bilateral relations with Brazil would continue, adding the country’s democratic institutions had acted within the constitutional framework.

In an unexpected move, Brazil’s Senate voted 42-36 to allow Rousseff to retain the right to hold public office – a break with Brazilian law that specifies a dismissed president should be barred from holding any government job for eight years.

The move appeared to demonstrate unease among some senators, notably within Temer’s own fractious Brazilian Democratic Movement Party (PMDB), over whether a budgetary sleight of hand that is common in Brazil was truly an impeachable offense.

Visibly annoyed in televised remarks at his first cabinet meeting, Temer said he would not tolerate divisions in his coalition as he quickly tried to quash the first sign of splits that could grow as allies press him to deliver on austerity.

Aecio Neves, leader of the center-right PSDB party that backs Temer, said the divisions had caused acute concern among his allies, but he denied there was any prospect of a split.

“Brazil has given itself a new chance, to look to the future and construct an agenda for reform in line with the economic crisis,” said Neves, who narrowly lost the 2014 election to Rousseff.

Honking horns, fireworks

Motorists honked car horns in the Brazilian capital to mark the removal of a president whose popularity had dwindled to single figures since winning re-election in 2014. In Brazil’s largest city, Sao Paulo, fireworks exploded in celebration after the vote.

Temer has vowed to boost an economy that has shrunk for six consecutive quarters and implement austerity measures to plug a record budget deficit, which cost Brazil its investment-grade credit rating last year.

An upturn in corporate investment in the second quarter provided a glimmer of economic hope for Temer and economists expect a return to growth before the end of the year.

Brazil's stocks and real currency slightly accelerated gains following the Senate's decision but the reaction was muted as most traders were already counting on the result. Market analysts said investors would now be looking to Temer to quickly deliver on his promises of reform, notably a constitutional change to limit spending increases in coming years.

"What changes now, with Temer definitively confirmed, is that the pressure will increase on him to deliver," said Newton Rose, chief economist at Sulamerica Investimentos. "The honeymoon is over, and the market wants to know now how capable he is to govern and put the government accounts in order."

Temer's government risks entanglement in the ongoing investigation into kickbacks at Petrobras, which ensnared dozens of politicians in Rousseff's coalition. Three of Temer's ministers have already had to step down due to links to the scandal, which could hobble efforts to restore confidence.

Rousseff became the first Brazilian leader dismissed from office since 1992, when Fernando Collor de Mello resigned before a final vote in his impeachment trial for corruption.

<http://mg.co.za/article/2016-09-01-brazils-dilma-rousseff-ousted-by-senate-michel-temer-sworn-in>

Comment and opinion

Electorate and opposition could foil Zuma's exit plan

Peter Bruce, Business Day, 2 September 2016

A FRIEND reminds me that I wrote, late last November, about what it was that President Jacob Zuma still had to break to survive. By survive, I meant that he is able to control the succession to his twin jobs as head of the ANC and head of state. Only by doing that can he be sure never to do jail-time for the hundreds of counts of fraud against him. Appeals by himself and the National Prosecuting Authority against a high court order that the charges, rescinded in 2009, be reinstated are bound to fail.

There will be delays in this process, but it is inexorable. There are no deals to be done. And he knows he will one day be brought before a court on the charges. But the successor — he hopes it will be his former wife, Nkosazana Dlamini-Zuma — will be able to pardon him only once he is found guilty. For Zuma, tragedy awaits.

But to get Dlamini-Zuma into the job, he still has to deliver to the host of mouths wanting money and tenders and jobs from him. Not least among them his own party. He has to find the strength and intellectual weight to convince them he can be trusted to position the ANC for victory in the national elections in 2019.

There are two routes to that money. One is the National Treasury, to which Zuma has twice since I wrote, taken a sledgehammer. Through the fortitude of the people in it, it has survived so far.

The other is the Reserve Bank, against which the Zuma onslaught officially started this week. The Gupta-guided minerals minister, Mosebenzi Zwane, has called for the power to license South African banks to be taken away from the Bank and be given to the finance minister (who would, of course, not be Pravin Gordhan).

And the deputy secretary-general of the ANC, Jessie Duarte, has attacked the Bank because a few powerless individuals hold shares in it, a legacy issue that gives them no power whatsoever over Bank policy.

This is madness. The Bank is not as robust as Treasury. Bank governors have been removed in pretty sophisticated economies before, by the stroke of a pen.

In 1991, Karl Otto Pohl, president of the then West German Bundesbank for nearly 12 years, was forced to resign after he fell out with Chancellor Helmut Kohl over the terms of financing reunification with East Germany.

In 2010, then Argentine president Cristina Kirchner fired Martin Redrado as central bank chief after he refused to release to her about \$6.6bn in foreign reserves so her government could pay its debts.

We have been lucky in SA to have had sound and thoughtful Bank governors since we became a democracy. Tito Mboweni, Gill Marcus and, now, Lesetja Kganyago have been model central bankers and the Bank is, arguably, our most precious institution. But the governor could be removed much more easily, in theory, than a Cabinet minister.

Of course, the financial repercussions would be enormous. With Redrado gone, Argentina slipped into a death slide where even reporting the true rate of inflation became a punishable offence. Kirchner was voted out of office last year.

The removal of Kganyago or political tampering with the Bank's policies and strategies would do immeasurable damage to the rand and to our cost of living.

That will not deter Zuma or irrational allies like Zwane and Duarte. For the boss, the prospect of prison is worth doing almost anything to avoid. And, of course, there's still money to be made for the family.

The fact is the Zuptas and hopeless lickspittles like Zwane and Duarte live on another planet. They haven't heard the electorate. They live on and in the past, with no policies and no direction. It is a small comfort (a comfort nonetheless) that unless some miracle occurs, the ANC vote in 2019 could fall below 50%. Dlamini-Zuma won't be able to stop it. Only good policy and determined action can.

That opportunity is a gift to the DA and its allies, and the EFF, whose marginal vote last month has given them enough clout to allow the formation of non-ANC governments in four of our six big city metros.

DA leader Mmusi Maimane urgently needs to form an expert economic advisory council, and listen to it. The new Johannesburg mayor, Herman Mashaba, is already

in trouble for speaking out loud about privatising and fragmenting the city's garbage collection, which is admittedly a shambles.

Experts would tell Maimane not to have any truck with free market fundamentalism. Not now. He'll get stuck in realpolitik if he does, and achieve nothing in return other than opening a gap for Zuma and the ANC to exploit.

Mashaba should concentrate on ensuring the thousands of black entrepreneurs already running businesses in Johannesburg create more wealth more quickly, before Zuma and his cohorts make even trying to produce a profit pointless.

• *Bruce is editor-in-chief*

<http://www.bdlive.co.za/opinion/columnists/2016/09/02/thick-end-of-the-wedge-electorate-and-opposition-could-foil-zumas-exit-plan>

Quiet Please: Ramaphosa's noiseless condoms and silent politics

Ranjeni Munusamy, Daily Maverick, 2 Sep 2016

When, if ever, will Cyril Ramaphosa speak up? When the deputy president said at the funeral of ANC veteran Makhenkesi Stofile last week that he took "personal responsibility" for the ANC's sub par performance in the elections, it appeared he might finally be ready to take a stand. But Ramaphosa still seems unwilling to stick his neck out. On Thursday, while answering questions in Parliament, Ramaphosa seemed delighted to market government's new fruity flavoured, "maximum pleasure" condoms. Playing it safe, it appears, is the deputy president's primary concern – even though many people wish he would rise up and show leadership

Ramaphosa is South Africa's acting president for the next few days while President Jacob Zuma is attending the G20 Summit and Investing in Africa Forum, both taking place in China. It is not as if he can suddenly start making decisions to undo the damage of the Zuma presidency within a week. The role of acting president is simply to hold the fort – or in the case of the current administration, sit back and watch as state departments and entities maul each other in the public eye.

In any case, the business of undoing the damage of the Zuma presidency will take years.

But right now, South Africa is in dire need of voices of reason to speak up and for strong leadership to show itself. As the person still most likely to succeed Zuma as ANC president next year and to top the party's ticket for the national elections in 2019, there is nobody better placed than Ramaphosa to do so. With the ANC reeling from its poor election performance and the country in a state of political and economic instability, there is also no better time for Ramaphosa to define himself outside of the Zuma coterie.

Ramaphosa has been reluctant to do so because of the unwritten rule in the ANC that leaders should not campaign for positions or appear too ambitious. He has also been careful not to be seen to be undermining Zuma or to be part of any faction competing for control of the ANC. Meanwhile, Zuma's allies in the ANC Youth League, ANC Women's League and Umkhonto we Sizwe Military Veterans Association, all part of the "premier league" faction and with links to the controversial

Gupta family, are the dominant voices in the organisation. Their primary focus is to protect the president, service their patronage network, defend the Guptas and prepare the terrain to elect a new ANC leadership that has members of their faction in key positions.

While Finance Minister Pravin Gordhan and the National Treasury are their main targets, they have now opened a new front against the South African Reserve Bank (SARB). On Sunday, ANC deputy secretary-general Jessie Duarte claimed the SARB was failing to protect the rand because the Bank is "privately owned".

"The South African Reserve Bank needs to cushion the rand, but the Reserve Bank itself is privately owned and that is a difficulty," Duarte told the Gupta-owned ANN7 television in an interview. She also said the ANC needed to ask why the rand is so "jumpy" – as if the correlation between bad political leadership and decisions and the economic turmoil was not patently obvious.

The Reserve Bank responded saying it accounted to the people of South Africa through Parliament.

"We wish to reiterate that the shareholding structure of the Reserve Bank has no bearing on any policy decisions that the executive management of the Reserve Bank, being the governor and deputy governors, takes in implementing the Reserve Bank's constitutional mandate."

Business Day also revealed this week that Mineral Resources Minister Mosebenzi Zwane had recommended to Cabinet that the Banks Act be changed to allow the finance minister to control bank licences instead of the Reserve Bank. He made the recommendation to limit the authority of the Reserve Bank on behalf of the inter-ministerial committee investigating why South Africa's top banks had blacklisted the Gupta family and their businesses. The recommendation happened months ago, possibly in anticipation of a change in the finance ministry.

It is clearly not the time for those who can read the big political agenda to sit back and do nothing. There has been very little alarm about the new focus on the SARB except from the former Reserve Bank Governor Tito Mboweni, who is currently also an ANC national executive committee (NEC) member. In a post on his Facebook page, Mboweni said the "ignorant and uninformed who rush to attack" should have the requisite knowledge of the SARB.

"In short, before you open your mouth and shout crazy, ignorant things about the South African Reserve Bank, please read this and visit the SARB website for more literature," Mboweni wrote. "No leadership must act and look so stupid! At that level, we expect better!"

The problem is that there are too few and isolated voices in the ANC speaking out against the mob. What they need is for senior leaders to draw the line and to show the way.

Ramaphosa re-entered active politics in 2012 with the understanding that he would be next in line to the throne; he is biding his time and hoping that his supporters coalesce around him next year. But the ANC and the country are both in unprecedented turmoil and Ramaphosa's hopes that his campaign will naturally fall into place are short-sighted and almost naïve. And if recent experience is anything to

go by, Kgalema Motlanthe's by-the-book approach to the last ANC elective conference in 2012 resulted in a massive defeat for him and those who supported him against the Zuma faction.

But this is also not just about the ANC. Ramaphosa cannot be oblivious to the state of economic turbulence in the country and the political agenda exacerbating the situation. Gordhan is fighting for political survival with the Hawks trying to stitch together a criminal case against him that will allow for him to be replaced as finance minister. The National Treasury is under threat of being captured and fighting multiple battles with state-owned enterprises that are themselves in various states of trouble. This is all happening at a time when the focus should be on consolidating government spending, calming jitters and reviving the flatlining economy.

Answering questions in Parliament on Thursday, Ramaphosa spoke of Nelson Mandela's leadership qualities, including his compassion and empathy for the suffering of others. He said Madiba's life's work was about promoting the rights of others and building national cohesion. But that was not all Mandela represented, even though many people prefer to limit his legacy to his humanitarian work.

Mandela was a politician who spoke truth to power and who stood up against evil at tremendous personal cost. During the transition phase, he was willing to pull the ANC out of the multiparty negotiations because of the National Party government's dirty tricks and abuses of power. And when he was in retirement, he still spoke truth to power, confronting the ANC about its deadly Aids policies when others were scared to do so.

The downward spiral of the Zuma presidency has been evident for years, but there was no bigger defining moment as when the Constitutional Court found that he had violated the Constitution. That was the moment when the ANC should have put the country's interests above all else. It was when they should have taken "collective responsibility" for allowing the Nkandla matter to descend into such a mess and for aiding the president in defying the Public Protector's report. It was also the time when the organisation should have said to Zuma: Enough and no more!

Instead the ANC NEC accepted Zuma's half-baked apology and silenced other structures that called for action against him. Similarly the ANC took no action for Zuma's sabotage of the economy and the country's interests when he fired Nhlanhla Nene as finance minister for no other reason than to facilitate the capture of the Treasury. And now, as Gordhan is being hounded by the Hawks under a discredited head, the ANC appears unwilling to do anything more than express "unreserved confidence" in the minister.

Yet the ANC was taken aback that millions of its supporters did not trust them with their vote last month. Speaking at the funeral of former minister Makhenkesi Stofile recently, after ANC veteran Siphosiso Pityana presented a scathing indictment of the leadership's failures, Ramaphosa appeared to internalise the criticism and indicated willingness to take responsibility for the crisis.

"We are currently in reflective mode: We are listening, we are reflecting, and we are considering, and I guess I can say we perhaps needed to go beyond saying we take collective responsibility and actually say we take individual and personal responsibility as the leaders of the ANC," Ramaphosa said. "Speaking for myself, as

the deputy president of the ANC, I am prepared to say I do take personal and individual responsibility.”

But what does that mean? How can he take responsibility for what has gone wrong and still keep silent? While he has expressed support for Gordhan and concern about the infighting in government, when will he speak out decisively against those sabotaging the country?

More than that, when will Ramaphosa show himself as a leader who wants to lead?

During his question time in Parliament, Ramaphosa made the rather unorthodox move of introducing new fruit-flavoured government condoms, which he said offered maximum protection and maximum pleasure. This is part of government’s strategy to reduce the HIV infection rate and was developed in response to complaints about the smell and “noise” of condoms government had previously distributed.

“Now, through scientific development, we were able to develop a new condom, which is called Max. The Max is for maximum pleasure, protection, and it does not make noise at all,” Ramaphosa said.

It was quite unconventional for the normally prim and proper Ramaphosa to be marketing condoms. His animated performance drew blushes and grins from the ANC benches and howls from the opposition, including “You must give them to Zuma!” from the Economic Freedom Fighters. But it is responsible and necessary for leaders at the highest level to promote safe sex and reduce the burden of disease.

In the same way, it is necessary to come out of the covers and show political leadership at a time when his organisation is being held hostage by a mob and the country is in need of a firm hand to regain stability. If Ramaphosa does not grab the mantle soon, someone else will and he will be forced to slink back to the business world. He might have to reinvent himself as a full-time salesman – perhaps of buffalos, burgers and condoms – when the pinnacle of his political ambitions is actually within reach.

<http://www.dailymaverick.co.za/article/2016-09-02-quiet-please-ramaphosas-noiseless-condoms-and-silent-politics/#.V8j3i03lrIU>
