Numsa Media Monitor

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

Numsa

Numsa declares dispute, strike possible

Roy Cokayne, Business Report, 4 July 2016

Johannesburg - The spectre of a strike in the retail motor industry has increased, following the decision by the National Union of Metalworkers of South Africa (Numsa) to declare a dispute in negotiations for a new agreement for the industry.

Jakkie Olivier, the chief executive of the Retail Motor Industry Organisation (RMI), which represents 19 000 businesses that collectively employ 300 000 people, labelled Numsa's actions "irresponsible" and "premature". He confirmed on Friday that Numsa had last week declared a deadlock in their negotiations at the motor industry bargaining council. He claimed Numsa had acted irresponsibly in declaring a dispute so early in the process.

Olivier said the parties had only had four days of negotiations, excluding the pre-bargaining process over two sessions, which, given the list of demands, was a short time to negotiate these issues and premature to declare a deadlock. He said there had not been any negotiations about the core structural issues of concern to the RMI.

These were Numsa's demands for a mega bargaining council, comprising the vehicle manufacturers, oil refineries and retail motor industry, and a one-year rather than a three-year agreement. The RMI previously said it would not commence negotiations about Numsa's demands until these structural issues had been resolved. It stressed it would not allow the RMI to be incorporated into a mega bargaining council, because it would put the survival of its members under threat.

Olivier said that Numsa did not appear to be serious or interested in entering negotiations on these two issues.

Attempts to obtain comment from Numsa were unsuccessful.

The negotiations involve three employer organisations in the RMI, Fuel Retailers Association, National Employers Association of South Africa and two unions, Numsa and the Motor Industry Staff Association.

The current agreement expires on August 31 and covers a number of sectors, including automotive component manufacturers, vehicle body builders, service and repair workshops, fuel service stations, vehicle dealers and automotive parts and accessories retailers.

Olivier said the deadlock meant the parties would have at least one dispute meeting, which was scheduled for July 13. If that failed to resolve the dispute, the parties had to enter into compulsory mediation under the facilitation of an experienced mediator. If the mediation was unsuccessful, the logical last step was for the mediator to issue a certificate of non-resolution, which in that case would allow Numsa to give employers 48 hours notice at any time of a strike.

A strike by the retail motor industry in 2013 halted production at vehicle manufacturing plants because of a shortage of automotive components.

Acting Numsa spokesman Patrick Craven said a facilitation process with the independent Commission for Conciliation, Mediation and Arbitration was scheduled for July 13.

Numsa’s demands also include a 20 percent wage increase, a R5 000-a-month housing allowance and medical benefits to be paid on the basis of 80 percent by employers, 20 percent by employees.

http://www.iol.co.za/business/news/numsa-declares-dispute-strike-possible-2041236

Numsa, auto wage talks break down

Independent Media/Reuters, 1 July 2016

Cape Town - Wage talks between South Africa's main manufacturing union and employers in the auto component sector hit a deadlock on Friday, raising fears of labour unrest potentially affecting car makers such as Ford , Volkswagen and Toyota.

The talks reached a stalemate after the National Union of Metal Workers of South Africa's (Numsa) demand for a one-year deal for all workers across the automotive value chain was turned down by the Retail Motor Industry Organisation (RMI), which wants to lock the workers down to a three-year deal.

The current three-year agreement ends on August 31.

“I can confirm that Numsa has declared a dispute with all the employer parties in the Motor Industry Bargaining Council,” Jan Schoeman told Reuters.

Numsa officials were not immediately available to comment.

The dispute will be referred to mediation talks to try and break the impasse. A strike may be called if that fails.

The militant Numsa union, which represents around 100 000 workers in the auto retail sector, held a month-long strike in the auto sector after pay talks deadlocked in 2013, disrupting assembly lines at car plants and bruising investor sentiment.

Numsa wants a 20 percent wage hike, as well as better housing and medical aid perks, as Africa's most industrialised country struggles to avoid recession.

http://www.iol.co.za/business/news/numsa-auto-wage-talks-break-down-2040839

Numsa refuses to back down on substantial wage demand in retail motor industry

Thando Kubheka, EWN, 1 July 2016

Numsa is demanding a 20 percent wage hike as well as better housing and medical aid perks.

JOHANNESBURG – The National Union of Metalworkers of South Africa (Numsa) says it’s not backing down from its demand of a substantial wage increase in the retail motor industry.

Numsa has declared a dispute with the industry, demanding a one-year deal for all workers across the automotive value chain.

The industry, however, wants to lock the workers down to a three-year deal.

The current three-year agreement ends on 31 August.

Numsa is demanding a 20 percent wage hike as well as better housing and medical aid perks.

The union’s acting spokesperson Patrick Craven said, “Many workers involved like petrol service stations employees are among the lowest paid, working in very difficult conditions and we think it's absolutely essential that we negotiate a decent increase for them.

The dispute will be referred to mediation talks to try and break the impasse.

A strike may be called if that fails.

The militant Numsa union, which represents around 100,000 workers in the auto retail sector, held a month-long strike in the auto sector after pay talks deadlocked in 2013, disrupting assembly lines at car plants and bruising investor sentiment.

http://ewn.co.za/2016/07/02/Numsa-refuses-to-back-down-on-substantial-wage-increase-in-retail-motor-industry

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South African workers

Fears parliamentary workers may down tools

Zenzile Khoisan, Weekend Argus, 2 July 2016

Cape Town - Parliament may be heading for a repeat of the industrial action that gripped it late last year if matters outstanding from that strike are not resolved.

This is the view of the National Education Health and Allied Workers Union (Nehawu), which yesterday said it was still hoping for an amicable solution.

Parliament served Sthembiso Tembe, chairman of the parliamentary chapter of Nehawu, with a cautionary suspension notice on insubordination and misconduct charges on Tuesday.

This notice as well as one issued to another Nehawu official, followed two recent meetings convened by Secretary to Parliament Gengezi Mgidlana, to discuss staff conduct. Mgidlana apparently abruptly ended both meetings.

Nehawu represents more than 1 000 of the legislature's 1 389 employees, making this the union's largest branch in the Western Cape.

The misconduct and insubordination charges could lead to the dismissal of Tembe and others.

In response to the suspension notices, parliamentary workers briefly downed tools on Wednesday.

In a statement , Parliament said it "noted with serious concern the unauthorised, unprotected, and illegal work stoppage".

It said the suspension notices did not indicate guilt and those who received them would receive full remuneration pending the outcome of a disciplinary process.

Eric Kweleta, provincial Nehawu secretary, accused Mgidlana of “behaving like the Botha of Parliament, very hostile, lacking political will and putting his own ego in the way of an amicable solution between parliament and its workers”.

“(Mgidlana) is an iron-fisted ruler who has adopted a heavy-handed and non-conciliatory approach, which can be clearly seen with this direct attack on Nehawu at Parliament,” Kweleta said, while the union was still holding out an olive branch.

“We don’t want to see scenes of the order of what was happening last year,” Kweleta said.

If the matter was not sorted out, the union would refer it to its national leadership, which could decide whether to embark on legal industrial action.

Parliament spokesman Luzuko Jacobs said they were concerned about Wednesday’s impromptu strike.He rejected the allegation that Mgidlana was “heavy handed and non-conciliatory”.

“We must discuss, we must find each other, to find a solution. That is our consistent position,” Jacobs said.

http://www.iol.co.za/news/politics/fears-parliamentary-workers-may-down-tools-2041154

Northam Platinum workers refuse to return to work until Zwane meets them

Clement Manyathela, EWN, 1 July 2016

The violence between the two rival unions forced the mine to halt operations for weeks.

JOHANNESBURG – The Association of Mineworkers and Construction Union (Amcu) President Joseph Mathunjwa says the union’s members, at Northam Platinum, will not return to work until Mineral Resources Minister Mosebenzi Zwane meets with them.

Last month, Zwane met with mine management, along with police and the majority union at the mine, the National Union of Mineworkers (NUM), following clashes that left two dead.

The violence between the two rival unions forced the mine to halt operations for weeks.

Amcu says by not being invited to the previous meeting, Minister Zwane, mine management, the NUM and the South African Police Service have shown that they are in collusion against it.

Mathunjwa says the so-called secret meetings have deepened divisions between the two unions.

“[Zwane] is failing the mining sector in terms on harmonising the work place.’

The minister says he did not invite Amcu to that meeting because it’s tradition to only meet with the majority union, but did promise to arrange a separate meeting with the union.

Amcu, however, says nothing has yet come of that promise.

http://ewn.co.za/2016/07/01/Northam-Platinum-workers-want-to-meet-Minister-before-returning-to-work

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Police union in march for change

Amil Umraw, The Witness, 1 July 2016

Pietermaritzburg - “The police are in the bush, doing whatever they like.”.

This is according to Police and Prisons Civil Rights Union (Popcru) provincial secretary Nthabeleng Molefe who, with hundreds of her union members, flooded Pietermaritzburg’s streets in a march for better treatment of law enforcement personnel yesterday.

The march, which saw employees gathering from across the province, was done in solidarity with scheduled demonstrations across the country as a build-up to the union’s national march in Pretoria later this month.

The union is demanding that changes be implemented within the Department of Correctional Services, the South African Police Service, the Department of Community Safety and the Department of Transport, which employs traffic officers across the province.

“They [government] must implement our demands because it will benefit our members and benefit the community at large,” Molefe said.

• On the SA Police Service:

Molefe described police management as “doing whatever they like” by making decisions without consulting the union.

Besides issues around salary upgrades, the safety of officers and racism in the police, Molefe emphasised the union’s plea to have police cluster offices abolished.

Cluster offices act as regional management for stations grouped in one area and fill the gap between managers at station and provincial levels.

“Police management say they are going back to basics but they are removing officers from stations and putting them in the clusters.”

This results in slack service delivery, she said. “Clusters are like the post office. They do not have any power and just relay information from station to province where actual decisions are made. It is a waste of manpower that is needed to combat crime in the communities.”

• On the Department of Correctional Services:

Molefe highlighted various issues plaguing prison employees in the country. She said there is discrimination when it comes to promotions and that the Occupational Specific Dispensation agreed upon in 2009 had not yet been implemented.

“There is also the issue of overtime. In the previous shift system, employees would work five days in the week and weekends would be overtime. Overtime has not been paid since 2009,” Molefe said.

• On Traffic:

At the top of the list is the nationalisation of traffic departments.

Molefe explained that traffic enforcement in different provinces falls under different departments.

For example, she said in KZN, traffic enforcement falls under the Department of Transport; in the Free State under the Department of Community Safety; and in Mpumalanga under the Department of Agriculture.

“There is no synergy between all provincial traffic departments and nationalisation of traffic is going at a slow pace. When traffic departments are nationalised, they will fall under the command of the national police commissioner,” Molefe said.

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http://www.news24.com/SouthAfrica/News/police-union-in-march-for-change-20160630

Fawu welcomes SAB, AB InBev merger

SABC, 1 July 2016

The Food and Allied Workers Union (Fawu) have welcomed the merger between AB InBev and SABMiller,

Competition authorities have finally given the R1.6 trillion takeover of SABMiller by AB InBev the thumbs up.

The merger has been widely welcomed with strict conditions attached to the deal.

The Competition Tribunal approved the deal with conditions to protect the local economy.

Speaking on AM Live, the General Secretary of Fawu, Katishi Masemola says the merger ensures job security.

"We welcome the guarantee of job security for the next five years, five years remains reasonable. We also welcome the injection of R1 billion into supplier support fund."

http://www.sabc.co.za/news/a/73d7f7004d550d0bafb3ef4b5facb1b5/Fawu-welcomes-SAB,-AB-InBev-merger--20160701

Cosatu Says Keeping Zuma Avoids ANC 'Bleeding'

Amogelang Mbatha and Sam Mkokeli, Bloomberg, 1 July 2016

South African President Jacob Zuma will likely serve out his term despite being embroiled in allegations of graft because ousting him would damage the ruling party, according to the country's biggest labor group, which is allied with the African National Congress.

The governing party was harmed by its decision to remove Thabo Mbeki as president in 2008 after he lost his position as its leader to Zuma and it won't repeat the process, said Bheki Ntshalintshali, the general secretary of the Congress of South African Trade Unions.

"From the bleeding it had when it recalled Thabo Mbeki and now again to recall someone who's left with a few months to retire from the ANC, I think they will allow the natural processes to go through than creating more divisions within the movement," he said in an interview in Bloomberg's Johannesburg office on Thursday. "It's too risky for them."

Cosatu, which has 1.9 million members, played a key role in bringing Zuma to power and has continued to back him, even as civil-rights groups and opposition parties called for his removal from office following a finding by the nation's highest court that he violated the constitution when he refused to pay back state funds spent on his private home. Zuma's second term as ANC leader is due to end next year and his second and final term as president in 2019.

South Africa's High Court has also ordered that corruption charges against Zuma that were dropped in 2009 be reinstated and he has been criticized for firing a respected finance minister in December and replacing him with a little-known lawmaker, causing the rand and government bonds to plunge. He backtracked four days later and appointed former Finance Minister Pravin Gordhan to the post, stabilizing markets.

The rand has fallen 21 percent against the dollar since the start of last year, and was 0.6 percent stronger at 14.6337 per dollar at 9:23 a.m. in Johannesburg on Friday.

“The mistake is for people to say: ‘We will just throw the rope to the ANC and the ANC must go and hang themselves,’” Sdumo Dlamini, Cosatu’s president, said in the same interview of demands made by the ANC’s opponents. “It doesn’t happen that way.”

Local Elections

The ANC, which has 62 percent of the seats in the National Assembly, has warded off several attempts by the opposition to have Zuma, 74, removed from office. The most recent followed a March 31 judgment by the Constitutional Court that he violated the law by failing to abide by the graft ombudsman’s directive to repay taxpayers’ money spent on a swimming pool, animal enclosures and other improvements to his home in the eastern KwaZulu-Natal Province.

Zuma’s travails and mounting public anger because of a shortage of decent housing, electricity and other basic services may undermine support for the ANC in Aug. 3 local government elections. Three polls commissioned by broadcaster eNCA show the party is set to lose control of the capital, Pretoria, and Johannesburg, the commercial hub.

While Cosatu will back the ANC’s campaign, the party must act more decisively against ill-disciplined members who engage in violent protests and destroy property, the federation’s leaders said.

Violent Protests

Five people died last week when violence erupted in townships around Pretoria, after the ANC nominated lawmaker Thoko Didiza, a former minister of agriculture and public works, as its candidate for mayor of the Tshwane municipality, which includes Pretoria, instead of incumbent Kgosientso Ramokgopa. Shops were looted and 270 people were arrested.

“Sometimes the ANC says that it moves like an elephant,” Ntshalintshali said. “It moves slowly but when it moves, things are corrected. We think they have to move very swiftly and be able to give some discipline.”

The labor leaders also said that while they are in an alliance with the ANC, they have differences of opinion. Cosatu doesn’t back the National Development Plan, which the ANC plans to implement, because it doesn’t do enough to lift living standards for the black majority. They also criticized “patronage” within the party.

Twenty-two years after the end of white-minority rule, white households earn six times more than their black counterparts, income disparities remain among the highest in the world and 27 percent of the workforce is unemployed, government data shows. The National Development Plan, which was published in 2011 and aims at halving the unemployment rate, called for a review of labor laws to make it easier for companies to hire and fire workers.

Credit Rating

Cosatu is collaborating with the government and business leaders to try and protect the nation's investment-grade credit rating. S&P Global Ratings and Fitch Ratings Ltd. both rank the country's debt one level above junk and have warned that the rating could be cut unless more is done to foster growth and combat political and labor instability.

"Prolonged strikes, mainly in mining and some manufacturing sectors, combined with less flexible labor laws and high youth unemployment, continue to pose structural weaknesses to South Africa's economy," S&P said in a June 3 statement.

While the concerns of ratings agencies should be taken seriously, Cosatu won't sacrifice workers' rights to appease them, Dlamini said.

"Labor laws in this country are very weak and very, very flexible," he said. "Sometimes the role of the ratings agencies is also a challenge when they simply do not allow us to build our own country and develop our country the way we see fit in South Africa."

http://www.bloomberg.com/news/articles/2016-06-30/south-africa-s-cosatu-says-keeping-zuma-avoids-anc-bleeding

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South Africa

ANC councillor candidate in KZN shot dead

TimesLive, 3 July, 2016

The African National Congress has confirmed that one of their councillor candidates for Newcastle in Kwazulu-Natal, Thembi Mbongwa, was shot dead on Saturday night.

ANC spokesman Mdumiseni Ntuli in Kwazulu-Natal said Mbongwa was killed in front of her husband and children at her home.

"We are saddened and devastated by the news of comrade Mbongwa who was shot at her home in front of her family. We believe that the family is traumatised at the moment as this happened last night," Ntuli said.

He added however that details of the killing were sketchy at the moment.

The ANC in the province would visit the family on Sunday, Ntuli said.

"I myself will be one of the people who will visit her family. We will offer any sort of support as you can imagine the family is going through a very tough time at the moment."

It is believed that two armed men entered her home late on Saturday night and shot her before fleeing the scene. No arrests have yet been made.

News of Ntuli's killing has sparked outrage on social media and put the spotlight on politically-motivated killings ahead of the August 3 local government elections.

http://www.timeslive.co.za/politics/2016/07/03/ANC-councillor-candidate-in-KZN-shot-dead

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Forces want to capture alliance, says Nzimande

Karl Gernetzky, Business Day, 3 July 2016

THE Tripartite Alliance has become a contested terrain due to attempts to capture its partners, South African Communist Party (SACP) general secretary Blade Nzimande said on Sunday.

Tensions have emerged within the alliance, with the SACP breaking ranks with both the ANC and Cosatu on the issue of state capture involving the politically connected Gupta family.

In a recent interview, Nzimande said President Jacob Zuma’s relationship with the Gupta family risked tarnishing the reputation of the ANC and denting the government’s image.

Nzimande told a Young Communist League rally in Johannesburg on Sunday that the alliance partners were "contested terrain", and the first choice by "forces that want to control this country" was to capture the alliance.

The rally was originally scheduled for earlier in June in Soshanguve, Tshwane, but was postponed and moved due to violent protests that followed the announcement of Thoko Didiza as ANC mayoral candidate in the metro. The SACP suspended some of its members allegedly linked to the unrest.

"There are forces from outside this country, possibly working with forces inside this country, who have no interest in seeing a successful and revolutionary alliance."

Demands from students was evidence of this, Nzimande said. "Students should not be demanding free education from the state, they should be demanding it from the capitalist classes."

In April, SA’s major banks cut their services with Gupta-owned Oakbay after allegations that the politically connected Gupta family was interfering in the running of the government and influencing Cabinet appointments.

Attempts by government officials to establish reasons for the termination of contracts also generated controversy, with the banks citing client confidentiality.

The Gupta family has denied exerting improper influence.

Nzimande said on Sunday that the broader problem was simply that money was being used to capture individuals more broadly, something reinforced by increasing "depoliticisation of (members)" and "anti-intellectualism".

"The ANC is not a vehicle for self-enrichment, it is a people’s movement," he said.

"If we fail to defeat the influence of money you have no future," Nzimande told league members.

Both the SACP and Cosatu will continue to support the ANC in the forthcoming polls.

Cosatu president Sdumo Dlamini on Sunday appealed for support for the ANC despite unhappiness over candidate selection. "Vote for the ANC ward councillor whether you are happy with him or not, because this is not about him, it is about the ANC," Dlamini said.

The ANC was the only party capable of improving the lives of people, said Dlamini, hitting out at the DA for wanting to win metros "in order to privatise as many services as possible".

"When the ANC says it wants to in-source, the DA says it wants to outsource," Dlamini said.

http://www.bdlive.co.za/national/2016/07/03/forces-want-to-capture-alliance-says-nzimande

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Sanef plans to meet with MPs to discuss concerns over SABC censorship

Rahima Essop & Gia Nicolaides, EWN, 1 July 2016

The SABC’s management has come up against opposition from the media industry and civil society.

CAPE TOWN – The South African National Editors' Forum (Sanef) says it plans to meet with Members of Parliament to discuss concerns about censorship and suppression of freedom of speech at the South African Broadcasting Corporation (SABC).

The SABC's management has come up against opposition from the media industry and civil society, for cracking down on journalists who speak up about censorship at the broadcaster.

Three senior journalists who raised concerns about a climate of fear in their newsrooms have been charged internally, while three others were suspended last week for going against a decision not to cover a protest.

Demonstrations were held outside SABC offices in Johannesburg and Cape Town yesterday, in support of staff there.

Sanef's Adrian Basson says, "So what we'll do next is to engage the role players, including Parliament Portfolio Committee on Communication. We'll also engage other role player like Mr. Jimi Matthews, the former acting CEO and head of news who resigned from the SABC this week."

CASAC URGES PARLIAMENT TO INTERVENE

The Council for the Advancement of the South African Constitution (Casac) has called on Parliament to urgently reconvene the portfolio committee on communications to address concerns of censorship at the South African Broadcasting Corporation (SABC).

Casac said the public broadcaster has a constitutional obligation to provide fair and objective reporting.

The SABC's decision not to air violent footage during protests has been met with resistance by civil society movements and some of its journalists have since been subjected to disciplinary action.

Yesterday, journalists and NGOs picketed outside SABC offices in Johannesburg and Cape Town to demand an end to censorship and the silencing of staff.

Casac's Lawson Naidoo said Parliament needs to intervene to ensure the SABC fulfils its constitutional obligation.

"This is an opportunity for Parliament to chow that it does take its oversight responsibility seriously and we believe that Parliament should urgently reconvene the portfolio committee and communication in order to discuss the crisis at the SABC."

http://ewn.co.za/2016/07/02/Sanef-plans-to-meet-with-MPs-to-discuss-concerns-over-SABC-censorship

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ANC wants probe into Motsoeneng's powers

Qaanitah Hunter, Sunday Times, 3 July 2016

The ANC has changed its tune on SABC boss Hlaudi Motsoeneng, with party spokesman Zizi Kodwa now calling on Communications Minister Faith Muthambi and the board to launch a probe into the chief operating officer.

This week Kodwa was one of the SABC's most vocal defenders, as Motsoeneng came under fire for suspending three journalists who objected to his instructions that violent protests not be reported on by the state broadcaster.

But yesterday the ANC spokesman said the party wanted Muthambi and the SABC board to investigate the allegations levelled against Motsoeneng.

Kodwa said the probe should look into "serious" allegations that Motsoeneng abused his power and that he had undermined the SABC's editorial policies, failed to carry out its public mandate and suspended people "willy-nilly".

The tough stance flies in the face of Kodwa's earlier comments.

The ANC spokesman came under fire even from within his party, with national executive committee members Tito Mboweni and Derek Hanekom on Friday breaking ranks from Kodwa's stance and openly supporting media freedom.

But yesterday Kodwa denied he had defended Motsoeneng, arguing that his statements were only in opposition to "the opportunists" who sought to use the SABC crisis for their own political ends.

He singled out Solidarity and former Cosatu leader Zwelinzima Vavi, who broke away from the ANC-led alliance to establish his own political outfit, as among those who wanted to "take advantage".

Vavi and trade union Solidarity were among those who marched on the SABC on Friday, protesting and demanding an end to the censorship of news.

This week six SABC senior journalists were charged for challenging Motsoeneng's ban on protests.

How the SABC turned into Hlaudi House

Kodwa said that the ANC was of the view that a COO could not act unilaterally. "Hlaudi will come and pass. Nobody must have that power," he said.

However, Motsoeneng has been emboldened by the unwavering support he enjoys from Muthambi.

Muthambi this week questioned the motives and timing of the resignation of acting SABC CEO Jimi Matthews.

Insiders say Muthambi would continue defending Motsoeneng because she believes factions within the ANC are determined to capture the SABC ahead of the party's elective conference next year.

Muthambi was not available for comment this week.

Muthambi has fought to protect Motsoeneng up to the Supreme Court of Appeal, where she is appealing against a judgment from the High Court in Cape Town which set aside his appointment as "irrational and unlawful".

Despite the high court ruling against him, Motsoeneng remains in his position.

http://www.timeslive.co.za/sundaytimes/stnews/2016/07/03/ANC-wants-probe-into-Motsoenengs-powers

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ANC wants probe into Motsoeneng's powers

Africa’s Biggest Fund Manager’s Policies Anger S. Africa Unions

Sam Mkokeli and Amogelang Mbatha, Bloomberg, 1 July 2016

South Africa’s largest labor group said it will step up pressure on the Public Investment Corp., which manages the pension funds of teachers, nurses and other state workers, to invest more aggressively in infrastructure and other projects to alleviate poverty.

“We are not happy, to put it bluntly, with the forms of investment of our pension funds,” Sdumo Dlamini, president of the 1.9-million member Congress of South African Trade Unions, said Thursday in an interview at Bloomberg’s Johannesburg office. “Cosatu has consistently been raising concerns about how pension funds or retirement funds of workers are invested. Why don’t we see our monies being invested in areas where jobs are seen to be created?”

The Pretoria-based PIC oversees about 1.8 trillion rand ($123 billion), making it the country’s largest investor. Its equity investments account for about 12 percent of the market capitalization of the companies that trade on the Johannesburg Stock Exchange. The Johannesburg-based union federation’s demands that the fund manager play a more proactive role in addressing poverty come at a time when 27 percent of the workforce is unemployed and the economy is projected to grow at the slowest rate since a 2009 recession.

Projects linked to the government's planned National Health Insurance, which could include building hospitals, is an example of the kind of investment plan Cosatu would support, Dlamini said.

"Most of their investments are in malls," he said. "Malls are simply perpetuating profiteering by business people."

'Exporting Jobs'

Bheki Ntshalintshali, Cosatu's general secretary, said in the same interview that there is a lack of transparency at the PIC and criticized the fund manager for investing outside of South Africa.

"When you invest offshore, in the language of workers that means you are exporting jobs," he said.

Cosatu, which is in an alliance with the ruling African National Congress, plans to meet with PIC officials to try and persuade them to change their investment priorities and approach.

The PIC announced in May that it had set aside 70 billion rand to help foster growth and development, create jobs and give the black majority a bigger stake in Africa's most-industrialized economy.

The PIC didn't immediately respond to calls and an e-mail seeking comment.

http://www.bloomberg.com/news/articles/2016-07-01/africa-s-biggest-fund-manager-s-policies-anger-s-africa-unions

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The Future of Eskom and South Africa's coal sector will be nothing like its past

Dirk de Vos, Daily Maverick, 4 July 2016

The recent reports of how Tegeta Resources – a company whose main shareholders include the Gupta-owned Oakbay Resources and the President's son, Duduzane Zuma's Mabengela Investments – has been able to secure a very favourable coal supply deal and have it pre-paid are deeply disturbing. Eskom is not just some failing state-owned enterprise like SAA; it represents our total electricity sector. It sits at the foundation of our economy. We simply cannot afford to have the multiple failures in corporate governance that should be obvious for all to see.

Of course, Eskom's own responses to the reports, as well as those of Oakbay, have sought to defend the abysmal situation by pointing to apparently similar arrangements, including massive pre-payments, with other suppliers of coal in the past. So, when all plausible justifications are exhausted, the catch-all defence is that these types of cosy arrangements have been happening for a long time, so why is everyone so worked up about it now? Nazeem Howa, the CEO of Oakbay, is particularly fond of this type of argument and uses it whenever he can. Has the whole issue blown up just because, as he claims, vested white-owned business interests are threatened by a feisty newcomer to the sector that upends the way things have always been done?

That this non-argument appears to work in some quarters or even has a receptive audience is a topic of its own but it does open up the question as to what has been the basis of the arrangements between Eskom and its coal suppliers in the past and where these might be going into the future. The possible answers are cause for even greater concern because, as we shall see, the future of our country with Eskom as a utility based on coal fired power plants, and its symbiotic relationship with our coal mining sector, is a decidedly uncertain one. The whole Tegeta gambit is just a symptom of a far deeper problem – the underlying assumptions of our coal fired electricity system are falling away.

Briefly, Tegeta was set up to acquire the Optimum mines in Mpumalanga for about R2.3-billion (about $145-million). Optimum itself had been put into Business Rescue by its former majority shareholder, Glencore. Glencore, in turn, had only completed the process of acquiring Optimum from BHP Billiton in 2014, a process that had started in 2011 at a reported cost of $1-billion. We know from disclosures in the Business Rescue Plan that Optimum owed its banks about R2.5-billion and that since September 2014, Glencore and other minority shareholders, including Cyril Ramaphosa's Shanduka Group, had advanced an additional R900-million in funding to plug the gaps.

We also know that there were various efforts at reducing costs and increasing efficiencies that had been launched without much success. So what was the problem? Well, a long-term supply contract signed in 1995 on a cost-plus basis to supply 5.5-million tons of coal per annum to Eskom's nearby Hendrina power station at around R190/ton. In addition, Eskom had levied fines of R2-billion on Optimum for supplying either sub-grade coal or insufficient coal. Yet, just three years ago, Optimum was a profitable business. So what has happened since? Two things: the global price of coal has fallen through the floor and Eskom's financial position, despite numerous bailouts, has deteriorated to the point where its debt is now junk status rated.

Eskom, the centrepiece of our mineral-energy complex, has bought roughly 120-million tons of coal a year and has a symbiotic relationship with the coal sector. Since the 1970s, Eskom has built its enormous power plants to be supplied by relatively low grade coal from collieries located close by so that the mined coal can be fed directly into the power stations on conveyor belts. In many of the cases, Eskom has invested or made a direct and significant contribution to the capital costs of a mine and, in return, secured a long-term cost-plus or fixed-price supply of coal from the mining companies.

On their own, these fixed-cost long-term contracts were not that interesting commercially but if one included the export potential of higher grade export quality coal, then this arrangement worked well for everyone, if not the environment. Eskom, for its part, got a long-term supply of very cheap coal that only it could use and as a state-owned entity, could easily provide the capital needed to develop the mines at rates lower than the mining companies. The mining companies, for their part, secured a good part of the capital contribution needed to develop their coal mines from Eskom and ongoing revenues (albeit not very profitable) from selling lower grade coal to Eskom, but they could export what they did not have to sell to Eskom at the global prices that export grade coal could fetch.

To do this, a few things had to happen. First, perfecting a process known as “coal washing” – whereby low grade coal is processed into a high grade thermal product with a low ash content – leaving behind the middlings fraction of an even lower grade, and discarded coal. Second, building the infrastructure needed to export coal, namely the coal export terminal at Richard’s Bay, and the rail lines from these mines to Richard’s Bay. The rights to export through the Richard’s Bay Coal Terminal, via an allocation, is a consequence of the collective investment made in the 1970s by these coal mines to export South Africa’s coal to the world. Richard’s Bay Coal terminal has the capacity to export up to 91-million tons of coal per annum and in 2015, 75,4-million tons of coal was in fact exported. By acquiring Optimum, Tegeta secured the rights to export 8-million tons of coal through Richard’s Bay.

This overall scheme has recently fallen apart, driven by the slump in the price coal can fetch on world markets. There are several drivers of this that include a slowdown in China, a slower than expected increase in demand from India, but important, a move towards cleaner fuels and the exponential rise in the deployment of renewable energy. As the price of renewables continues to decline, the likelihood of coal prices ever recovering looks ever more remote. Many coal mines around the world look like stranded assets. Under Glencore, Optimum had ceased to export any coal at all.

The costs of mining, particularly in the Mpumalanga coal fields, is on the way up. After 40 years of mining, the resource starts to deplete, requiring additional capital investment to extract the remaining coal which is also lower quality. Labour costs associated with coal mining have increased by 10% per annum on a consistent basis.

Eskom has responded to the changing coal supply environment by reviewing all cost-plus agreements. Brian Molefe makes the analogy of wanting to buy bread and not owning the bakery. From now on, we are told, Eskom will only buy coal and not be involved in the financing of mining activities. According to Matshela Koko, Eskom’s group executive for generation, Eskom would need to find an additional

R38-billion in the next five years to further capitalise the cost-plus mines. He also makes the point that this investment would flow to the traditional mining majors instead of to black owned emerging mining companies with whom Eskom wants to do business.

Changing Eskom's coal supply arrangements is not going to be easy. The new coal fields in Limpopo's Waterberg region, where production costs are much lower, are not adequately linked to Eskom's power stations, mostly in Mpumalanga, by rail. If Transnet, another State-Owned Enterprise, is to make the investment in the rail infrastructure, it would have to be on the basis that the coal railed is also able to be exported. But the once lucrative export market that would have justified this type of investment no longer exists. A study commissioned by Eskom showed that in 2012, the low cost of mining coal in the Waterberg went up to as high as R410/ton when transporting it to Eskom's power plants in Mpumalanga is taken into account.

Perhaps the best demonstration of all this is at Eskom's Arnot Power Station. It is here where Tegeta secured its pre-payment to supply coal from the Optimum Mine that it had just acquired at over R500/ton. Previously, this power station had been supplied in terms of a 40-year agreement with Exxaro to supply coal on a "cost-plus" agreement covering a return on investment and a management fee. Exxaro did not export any supply from its Arnot mine so its cost-plus supply had to be covered by Eskom alone. According to Eskom, at expiry of this agreement in December 2015, the costs of coal delivered from the Arnot mine was R1,132/ton. The Arnot mine has been operating for over 40 years and now needs substantial additional investment to get to the remaining coal at a reasonable cost. Eskom was not prepared to provide the necessary capital to do this and the result is that this mine had to close.

So, what about the Optimum mine? It too shows the signs of becoming depleted without further capital investment. Even with the Arnot supply agreement and the pre-payment, the Optimum mine is still not economically sustainable. Optimum still has to deliver just over 5 million tons per annum to Hendrina for R190/ton and its 1.2-million ton agreement to supply Arnot at a reported R500/ton represents just one third of Optimum's total production capacity. So, while the Arnot power station agreement remains in place, Optimum is supplying all its coal to Eskom at an average price of just below R300/ton, better than the R190/ton agreement with Hendrina but still below the R400/ton that Glencore said was needed to have Optimum remain financially sustainable.

If this is correct, the only viable strategy for Tegeta is the following: roll over the short-term supply contract to the Arnot power station for additional periods at the same or better prices; hold out to 2018 when the Optimum/Hendrina contract expires and fight off or settle the R2-billion fine. Then, set about renegotiating the supply contract for Hendrina on much better terms, make the supply agreement to Arnot a long term one and force Eskom into making a capital contribution to reinvest in the mine. With Exxaro's Arnot mine now closed, Eskom won't have that many other options to secure the amount of coal it needs to run these two power stations. Tegeta's negotiating position, on the other hand, will be strong.

South Africa will find itself in a paradox in which its own costs of coal production go much higher as the global price of coal continues to fall. The one clear advantage that Eskom has long had, abundant and cheap coal supplies, is in the process of disappearing. As Eskom has recently discovered, the demand for electricity is a function of the costs of supply. As the price for electricity increases, its big customers, notably those companies forming part of the Energy Intensive Users' Group, have to reduce their consumption and any future investment plans.

What happens, we should ask ourselves, when Medupi and Kusile are finally commissioned beyond 2022 if there is no demand for the extra electricity that they can provide at a cost that they can supply it? It is no longer a silly question. According to another Eskom study in 2013, if the delivered cost of just its short-term contracts (representing 30-million tons per annum or a quarter of the total supply), were to be delivered at R600/ton, then its operating costs would increase by 5%. Factor in the expiry of longer-term, fixed-cost and cost-plus contracts on advantageous terms and there are serious consequences for the future price of electricity generated by Eskom's coal fired power stations.

The trouble is that having Eskom providing the capital to finance its suppliers' coal mines is now hard to justify. Even with the recent injections by the state namely the R23-billion equity injection and the conversion of a R60-billion subordinate loan to equity, its financial ratios continue to deteriorate. On top of additional borrowing of R50-billion in 2014/2015, it is in the process of raising more than that in the current financial year. This has been hard to do. Its debt has been downgraded to junk and its borrowing costs are now as much as 4% higher than that of the government's own borrowing costs.

But if Eskom can no longer fund the capital costs of coal mining anymore, who will? Coal's long-term economics look very poor and a concerted campaign against coal as a dirty fuel, also known as the war on coal, means that development finance institutions such as the World Bank along with other pension or sovereign wealth funds won't touch it.

All this looks very much like a utility death spiral and that becomes squarely a problem for Treasury to solve, one way or another. Obviously, Eskom can't go bust for as long as the South African government itself is not bankrupt. How Eskom is managing its borrowing requirements, its strategy in the capital markets, who its lenders are and the terms of its more recent borrowing needs careful examination. It bears mentioning that one of the most exposed lenders to Eskom is the Government Employees' Pension Fund (GEPF) managed by the PIC, once headed up by Brian Molefe, Eskom's current CEO. Even if the government does not explicitly guarantee all of Eskom's debt, it does guarantee the performance of the GEPF itself.

This underlines the critical importance in getting Eskom's board to function credibly and without any real or perceived conflict of interest. It should be obvious that it is simply unacceptable that Mark Pamensky, the Chief Financial Officer of Oakbay and the controlling shareholder of Tegeta is also on the Eskom board where he heads up its Investment and Finance Committee.

It should be obvious that the future of Eskom and the South African coal sector will look nothing like the past. We have to prepare for that. Finance Minister Pravin Gordhan's stated intention to fix the boards of our State-Owned Enterprises is critical. Getting the right people on the board is just the first step. Securing full transparency on all of Eskom's coal supply contracts and its coal procurement policy as well as getting full details on Eskom's borrowing programme is just as important. Should Eskom claim confidentiality on any of these arrangements for commercial and strategic reasons, these claims should simply be rejected out of hand. The stakes for the future of our country are just too high.

http://www.dailymaverick.co.za/article/2016-07-04-analysis-the-future-of-eskom-and-south-africas-coal-sector-will-be-nothing-like-its-past/#.V3ooJU3lrIU

International

Workers should not take blame for Brexit: Cosatu

Naledi Matlapeng, SABC, 30 June 2016

Congress of the South African Trade Unions (Cosatu) President, Sdumo Dlamini, says workers should not take the blame due to the current Brexit saga in the United Kingdom.

He was speaking at the Communication Workers' Union (CWU) NEC meeting to celebrate 20 years in Johannesburg on Thursday.

Dlamini says Britain's vote to leave the EU has led to companies in developing countries using this as an excuse to lay off workers.

And although he acknowledges the impact Brexit will have on workers he says they can't be the scapegoats.

"Already some companies on the globe after the Brexit are beginning to talk about downsizing or restructuring their organisations now that they have lost certain relationships within the Eurozone. We are saying it cannot be that for their mistakes then they are shifting the blame on workers."

The CWU's NEC reflected on its achievements and the challenges it faces currently.

The union raised concerns about high levels of retrenchments across various sectors and the fact that 60% of workers across various industries still work as casual workers.

CWU President, Clyde Mervin, says, “We are having a fight with MTN to convert all casuals into permanent positions. The SA Post Office has recommended that they want to convert workers into half day work force. So, those are the challenges we are faced with.”

Cosatu says it cannot be business as usual and has called for radical socio-economic transformation to address the huge gap between the rich and poor.

It says more effort is needed to deal with the high level of unemployment.

http://www.sabc.co.za/news/a/5ff7ff004d5316f9ad8cef4b5facb1b5/Workers-should-not-take-blame-for-Brexit:-Cosatu-20160630

Inside Labour: Brexit fears shift to SA's own festering nationalism

Terry Bell, Fin 24, 1 July 2016

THE looming exit — Brexit — of certainly England and Wales from the European Union (EU) — should not overly concern South Africa economically or politically. Certainly not in the short term.

But the Brexit vote should send warning signals to trade union and worker organisations everywhere. Because it has given a major boost to the xenophobic poison that resides within nationalism, distracting attention from an economic and social system that should be the prime target of growing calls for transformation.

The nationalist call to break from the EU actually amounts to the antithesis of the humanist core expressed in the union slogan: workers of all countries unite. This was a call for unity within an exploitative system, recognising that only by uniting could the sellers of labour protect themselves and, in the process, perhaps improve the lot of all humanity.

Within hours of the referendum result being announced, the first xenophobic displays were reported as the racist Right celebrated. Slogans were daubed on walls and T-shirts printed with slogans calling for migrants to leave Britain, an island nation of migrants.

But several fragments of the radical Left in Britain also backed a Brexit. The Right did so on a racist, xenophobic basis, wishing to restrict immigration, the Left on the grounds that the EU is a “Bosses club” that cannot be reformed.

Yet, by the logic especially of the “revolutionary” Left, all governments in the present dispensation are “bosses clubs” that cannot be reformed. This reasoning, along with the thinking on the Right that Brexit would mean more restricted immigration, reveals a worrying level of ignorance about the EU and how it functions.

Free movement

The EU is certainly a complicated, bureaucratic and free market institution. But it is not a government: all decisions taken are by consensus and national parliaments remain supreme in their own territories. Voices within the admittedly rather ineffective EU parliament reflect the reality in the member countries and are, therefore, mainly from the Right and Centre, but also from the Left.

For economic reasons, the majority of Brexit backers also tend to agree that Britain should retain its economic ties through membership of the European common market. Yet the fundamental requirement to be a common market member is the “free movement of persons”.

Capital has never required such permission and the movement of “persons”, initially suited the requirements of the market in the EU. It should, had unions and other internationalists been up to the challenge, have made the promotion of internationalism easier. But little was achieved.

What Brexit has done has been to embolden British xenophobes to attack EU migrants — especially Poles — now living, working and studying in Britain. And the repercussions will be felt, not only in Europe, but around the world.

There are now an estimated 3 million EU migrants living, working and studying in Britain. But there are also more than 2 million British citizens now in the same conditions in EU countries.

This is only one of the plethora of issues now raised. Trade deals, treaties, agreements on health care, university collaboration within the EU and with other countries outside of the largest economic bloc in the world are also up in the air.

As Professor Michael Dougan of Liverpool University and a leading authority on the legal aspects of the EU notes: unravelling this will probably take about ten years or more. In the meantime, the success of what is essentially a nationalist project has given impetus to a range of populist groups, not only in the EU, but around the world.

Festering nationalism

At the same time, the British trade union movement has been found wanting, caught essentially on the sidelines, tacitly supporting the “remain” camp while many members, disillusioned with the promises of the EU, voted “out”. This is hardly surprising, given the devastation visited on the industrial and mining heartlands of Britain.

In these areas of widespread unemployment, working people fell prey to populist blandishments about internationalism and immigration being to blame for their woes. Globalisation — and the EU as part of this process — certainly bears the blame, but "little England" nationalism is merely a nastier variation on the same theme.

In what seem like delusions of grandeur, the radical Left maintains that a break with the EU would damage "the bosses" while not "weakening international links between workers in struggle". Yet boundaries to travel and encouragement to nationalism mean the very opposite.

But does this have anything much to do with South Africa? Indeed it does, because Brexit and its aftermath encourage nationalist sentiments everywhere. And, as evidence from the recent turmoil in Tshwane and elsewhere revealed, there are worrying signs of animosity not only to "foreigners" from Africa but also to citizens of other local language groups.

As a result, the main concern about Brexit for South African democrats and trade unionists should be the impact it may have on our own festering nationalisms.

Never has the slogan, workers of the world unite, seemed more appropriate.

http://www.fin24.com/Economy/Labour/InsideLabour/inside-labour-brexit-fears-shift-to-sas-own-festering-nationalism-20160701

Comment and analysis

Workers are "not free at e" - SACP

Alex Mohubetswane Mashilo, Politicsweb, 1 July 2016

Alex Mashilo writes the whole media industry in SA needs a decisive self-introspection, not only the SABC

The unlawfully appointed SABC COO Hlaudi Motsoeneng's personality cult is surely one of the factors at play in the ongoing administrative and governance decay at the SABC. Indeed apersonality cult emerges among others when an individual uses mass media, propaganda, or other methods to create an idealised, heroic, and at times worshipful image, often through unquestioning flattery, praise and, based on being in charge threats to others as a means of manufacturing consent. This includes, internally inside organisations such as the SABC as it has now clearly turned out, the use of disciplinary processes to stifle engagement, suppress freedom of expression and other important rights.

Progressive policies such as the 90 percent local content are attributed to the role of the personality cult and not the organisation. Yet it is the same personality cult that was probably behind the black-out of the South African Communist Party's (SACP's) march to the SABC in 2012 and other mass actions demanding more time and space for progressive local content and an end to corruption and the corporate penetration that has now graduated to the level of corporate capture. The black-out and belittling of these progressive efforts were not dissimilar to the recent action taken at the SABC that has led to the suspension of three journalists last week and the hauling of three more this week to processes of disciplinary hearings.

The Guptas-owned ANN7 and The New Age are the worst in such actions and other maltreatment of workers, as declared by the Congress of South African Trade Unions (Cosatu).

At the SABC, the main problem lies in the weaknesses embedded in the structures and processes that allowed for the emergence of the personality cult that is at the centre of the ongoing administrative and governance decay. But the SABC as a public institution cannot be understood only from within. There are public structures that should play an oversight role and hold the SABC accountable. The public, too, should frankly engage in a self-introspection because the buck should stop with the public if all other structures fail.

But the whole media industry in South Africa needs to engage in a decisive self-introspection despite now almost all coalescing against the rot at the SABC. The fact of the matter is that there are serious problems that cut across the board. Some media houses that are playing a "holier than thou" protagonist character in relation to the death of the journalism profession and the ongoing administrative and governance decay at the SABC are in fact worse than the SABC in certain respects. They too, do the same things such as prohibiting negative coverage of certain personalities showering them with positive coverage while either not giving others coverage or covering them in a negative light.

Let us look at the situation facing workers at e.TV/e.NCA and how the media has treated them as we intensify our condemnation of the rot at the SABC. Contrast this with the SABC situation. You will recognise that there is politics in the media that determines at each given time who is covered, how and who is not covered.

On 10 September 2015 Umsebenzi Online (Vol. 14 No. 35) carried a piece titled "The revolution will not be televised, is this different for workers in the media, workers at e.TV/e.NCA". A part of this title, as can be seen, was adopted from Gil Scott-Heron's "The revolution will not be televised", a phrase Scott-Heron adopted from the slogan of the 1960s struggles in the United States against the racist oppression that was suffered by black people.

The piece called for support to workers at e.SAT (commonly known as e.TV/e.NCA) who had gone out the previous week publicly declaring: "We are not free at e". They released a statement and said it was time members of the public know what was going on in the media as the world of work, in particular at e.TV/ e.NCA. They appealed for support both from the public and the media industry. The news of their situation did not make it in the media, starting at e.TV/e.NCA where they are being exploited and said they suffered various forms of draconian treatment.

The media ignored the plight of the e.TV/e.NCA workers and did not bother to give them prominent or any coverage at all and organise campaigns in solidarity with them. The issues they raised are no different from what is going on at the SABC by the way if not in certain respects worse.

According to the e.TV/e.NCA workers, e.SAT had over 70 percent Black employees and the viewership is 87 percent Black, yet the top management was made up of White males only. They wanted this discussed and believed that the absence of transformation at e-SAT had a negative bearing on news content and coverage. They wanted to exercise basic employment and labour rations rights, their constitutional right to freedom of association, to join a trade union and have a workplace forum to discuss transformation.

They did not find any joy then, indicating, according to what they saw, that e.TV/e.NCA paid lip service to transformation thus enabling an atmosphere where racism and racist innuendos thrived. A week before, they said, a White female employee referred to Indians as “Coolies” on the Output Desk and no action was taken against her.

The workers further said e.TV/e.NCA’s massive Black audience did not find expression in its editorial policy which was driven by the White-only top management. They pointed out that at an editorial meeting earlier in 2015 a top manager said “reporting on rural areas is pointless because the ‘middle class doesn’t care about the poor’”.

During that time, the e.NCA’s Africa Bureau was closed and fifty workers were retrenched, according to the workers despite the ironical fact that e.NCA calls itself “e.News Channel Africa”. Meanwhile in May the same year top management received 10 percent salary increases and performance bonuses”, said the workers who further asked “Performance for what? How can they be rewarded for job losses?”

Let us be consistent!!!!!

Alex Mohubetswane Mashilo is SACP Spokesperson and writes in his capacity as a full-time professional revolutionary, 1 July 2016

http://www.politicsweb.co.za/opinion/workers-are-not-free-at-e--sacp

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Endgame for Teflon man: Why bailing out Zuma is a risky business

Ranjeni Munusamy, Daily Maverick, 4 July 2016

After years of living off his friends, his family, the state and his benefactors, President Jacob Zuma is now in a financial fix. With Zuma committing to compensate the state for the non-security upgrades at his Nkandla home, he now has to come up with R7.8-million by 24 August. While in the past Zuma's friends have stepped in to pay his children's school fees, his clothing bills, his legal fees and even leased his house on his behalf, the well of goodwill now seems to be drying up. With an end in sight to his political career and criminal charges hovering over him again, Zuma is becoming a deadweight.

According to the Sunday Times, members of the Zuma family claim they are "not a rich family" and are concerned about how the president will settle the hefty bill for non-security features at his Nkandla home. Three members of the Zuma family, all interviewed by the paper separately, had the same line: they are not well off and not in the position to assist the president to pay the debt.

Michael Zuma told the paper that the Zuma family lived the life of any rural family. Edward Zuma is quoted as saying: "We are not a rich family, perhaps if we were rich we would also be fighting these things and taking people to court. We are a family of hustlers and hard workers."

A spokesman for Khulubuse Zuma said: "Khula will not be in a [financial] position to personally assist him." The family reportedly held a meeting on Sunday to discuss the matter.

The comments by Zuma's brother Michael, his son Edward and nephew Khulubuse (through a spokesman) are a departure from what the president himself has said several times, that his family was able to raise the capital and pay for the upgrades to his home.

When opposition parties, particularly the Economic Freedom Fighters, demanded that Zuma comply with the Public Protector's report on Nkandla and "pay back the money", several people made public statements saying they would step in to assist the president should he need to reimburse the state. However, since the Treasury set the amount to be paid back at R7.8-million, would-be benefactors have not been as forthcoming as they were previously.

It could be that some of them never actually thought that the day would come when Zuma would have to comply with the Public Protector's report and reimburse the state. Some might have thought that a "reasonable percentage" of the non-security upgrades might be far less that R7.8-million. There might have also been some swagger involved in the offers that evaporated when reality dawned.

The Constitutional Court order that Zuma "must personally pay the amount" has also created confusion about whether the president can be assisted to pay the debt. Legal interpretation of the order is that neither the state nor any organisation can settle the debt on Zuma's behalf. However, the president can receive donations as long as these are declared and he pays tax on the amounts received. The Presidency said in a statement last week that no request had been made for members of the public to contribute towards the settlement of the debt.

Zuma has the option of applying for a loan through a bank but it is not clear what he would offer as collateral. In response to questions in Parliament in May about what collateral he offered to secure his previous loan, which he claims he is still paying off, Zuma said he had a “Permission to Occupy” document. But this raised further questions about whether a bond could be secured with a document that simply gives a person the right to occupy communal land.

ANC secretary-general Gwede Mantashe told the Sunday Times the ANC had no plans to collect money for the president. “The Concourt is quite clear, the ANC cannot pay whatever amount. A structure of the ANC cannot do that because if it’s traced and found to be that, it will be in contempt of court,” Mantashe said.

However, the ANC in Mpumalanga, one of the strongholds of the “premier league” faction, said they were still prepared to help Zuma if he requested their assistance. Mpumalanga ANC secretary Mandla Ndlovu told City Press that the offer made by the premier, David Mabuza, to help Zuma pay back the money was still on the table. “Our offer was conditional. If he requests [help], we will see how we can help him. There has been no formal request from the president and, therefore, there is no plan from us,” Ndlovu said.

But the rallying of support for Zuma that was evident 10 years ago after he was fired and struggling to pay his legal bills and maintain his lifestyle is no longer evident. As president of the country, Zuma earns a salary of R2.8-million and can no longer be seen as a political victim who has fallen on hard times with a rather large family to support. Most members of the Zuma family have excelled in the business world since then, with shares and directorships in several companies.

Ten years ago, Zuma was also “the coming man”. The rallying of support around him when he was fired gained momentum and mutated into his presidential campaign. It was expedient for people to invest in Zuma and his political career as the association with him paid off when they piggybacked on his path to power.

But now... the situation is different.

People are circumspect about bailing out the president again as he will in all likelihood no longer be ANC president from December 2017. When a new ANC leader is elected, power will shift from Zuma to his successor. Even if the successor is an ally or handpicked by Zuma, it does not make sense to bank on an outgoing leader. Zuma will still be president of the country until 2019, but power will progressively tilt towards the new leader.

The biggest turn-off, however, is the possibility of Zuma going on trial for corruption. Until a few months ago, this did not seem to be a real prospect, but the high court judgment in the spy tapes matter changed that. Zuma has been on a losing streak in the courts and there is no telling how long he and the National Prosecuting Authority can avoid the reinstatement of corruption charges.

When Zuma faced corruption charges over a decade ago, he clearly still had life in his political career. Now that he has made it to the top of the food chain and his retirement is beckoning, his benefactors will think twice about bailing him out, particularly when the charges he might face have to do with accepting money in exchange for political favours.

Zuma's family seem to be taking seriously the prospect of him facing trial and fear the possibility of him going to jail again. Zuma spent 10 years on Robben Island during the struggle against apartheid.

Michael Zuma told the Sunday Times:

"We are afraid he could go back to jail. This issue has made me lose sleep and I have sleepless nights. His wives are the most concerned and vulnerable. They constantly ask me for direction and as the eldest [at home] I always have to go out of my way to assure them."

It cannot only be Zuma's family that have this concern. People who have previously been generous to assist the president with the upkeep of his family and his lifestyle would be understandably concerned about financing someone who could face another long messy trial and possibly jail time. This could also mean more legal bills after Zuma has left the presidency, which means the R7.8-million will not be the end of his financial woes.

Of course, Zuma is not yet a lame duck and still has significant support in the ANC, and political clout. It makes sense to stay on the right side of him politically but it does not make sense to pour money into a black hole with no hope of dividends.

The president himself has not spoken on the matter so it is possible that he has already made arrangements to settle his debt without his family's knowledge. It is also possible that some of his friends, such as the politically connected family that has relocated to Dubai, might not care how much trouble he is in or that the end of his political career is nearing. He could still be useful to them before his retirement or make sure that his successor services the debt.

Let's not forget that Zuma has survived a lifetime of struggles, battles with the law and financial difficulties. He has an inordinate ability to survive and there is no indication that his Nkandla bill will break him. But paying back the money was a dilemma he tried every means possible to avoid. It could be that the Teflon man's luck is finally running out.

http://www.dailymaverick.co.za/article/2016-07-04-endgame-for-teflon-man-why-bailing-out-zuma-is-a-risky-business/#.V3onVk3lrIU ranjeni munusami BW

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