



# **Numsa Media Monitor**

**Monday 1 August 2016**

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

## **Numsa/United Front**

### **Eskom wages strike will 'damage business', union threatens**

*Karl Gernetzky, Business Day, 29 July 2016*

THE National Union of Mineworkers (NUM) said on Friday its members will down tools at Eskom from August 8 in a wage dispute.

The strike would cause damage to business, NUM general secretary David Sipunzi told reporters in Midrand.

The Commission for Conciliation, Mediation and Arbitration (CCMA) facilitated a meeting between Eskom and its three largest unions on Monday, but no agreement was reached and an arbitration certificate was issued, Solidarity energy sector co-ordinator Deon Reyneke said on Friday.

He said Eskom is an essential service, and Solidarity still hopes a settlement may be reached under arbitration.

Of Eskom's 36,000 employees, the NUM represents 16,000, the National Union of Metalworkers of SA (Numsa) 10,000, and Solidarity 7,300.

Numsa, which declared a deadlock before the NUM, has also threatened to down tools. It could not be reached for comment and neither could Eskom.

Eskom spokesman Khulu Phasiwe said on Friday the power utility did not believe negotiations had fallen through yet, and that arbitration was expected to begin this week.

"Technically, the wage negotiations are ongoing so there is no need for any hardening of attitudes on this matter," he said.

---

Phasiwe said Eskom was defined as an essential service by SA law, not internal company policy, and the company was open to engagement with unions on a demand for a minimum service level agreement.

<http://www.bdlive.co.za/national/labour/2016/07/29/eskom-wages-strike-will-damage-business-union-threatens>

### **United Front to unveil Eastern Cape candidates**

*Luyolo Mkentane, Independent Media, 31 July 2016*

Port Elizabeth - NUMSA boss Irvin Jim and former Cosatu leader Zwelinzima Vavi are at the Veeplaas community hall in Port Elizabeth, Nelson Mandela Bay, where they are expected to unveil the candidates for the United Front of the Eastern Cape.

The United Front is a workers' and community movement founded by the National Metalworkers Union of SA. Former metro mayor Zanoxolo Wayile has also thrown in his lot with the United Front, and has been punted as its mayoral candidate.

The DA was reportedly in talks with the UDM and the United Front for a coalition government of the Nelson Mandela Bay, and the latter could be offered the deputy mayorship. The Eastern Cape is seen as the United Front stronghold, with Numsa enjoying the majority support in the province's large automotive sector.

<http://www.iol.co.za/news/politics/united-front-to-unveil-eastern-cape-candidates-2051499>

### **Vavi withdraws support for ANC in election**

*Natasha Marrian, Business Day, 1 August 2016*

FORMER Congress of South African Trade Unions (Cosatu) general secretary Zwelinzima Vavi will not be voting for the ANC for the first time since 1994.

The upcoming 2016 local government election is the first since Cosatu fired Vavi and expelled its former largest affiliate, the National Union of Metalworkers of SA (Numsa). The union was pushed out for taking a decision not to campaign for the ANC in the 2014 election.

The ANC intervened in Cosatu's bruising factional fight which pitted supporters of President Jacob Zuma against those who were critical of his leadership, including Vavi and Numsa.

The party's intervention resulted in a stay in the hostilities between the two factions less than a month before the 2014 national elections. However, the solution was temporary and in November, after the election, Numsa was expelled and Vavi was removed some months later.

On Sunday, Vavi endorsed a United Front (UF) candidate in the Eastern Cape, who is contesting in the Nelson Mandela Bay metro.

The UF is a social formation initiated by Numsa — it is a precursor to a political party which the union hopes to launch.

---

In an interview, Vavi said he cannot in good conscience vote for the ANC in the 2016 election.

"Unfortunately, voting the ANC back into power is a vote against workers ... a vote for the ANC is a ringing endorsement of what is happening politically and in the economy," he said.

"It is the first time I'm not voting for the ANC, it is painful ... but I love my country."

He said when he campaigned in Nelson Mandela Bay ahead of the last local government election in 2011 — a hotly contested terrain in the upcoming election too — he did so because he believed that the party would deliver on a national minimum wage, inclusion in the economy and delivery on the promises contained in the ANC's manifesto on education and health.

After reflecting on how very little was delivered, he came to the "painful conclusion" that he could not endorse the party.

"Even big capital knows that the road we are travelling is leading toward a kleptocracy and a predatory state," he said.

He added that a vote for the ANC would be voting for a collapse of state owned companies, for recession in the economy and for state institutions such as the National Prosecuting Authority being captured by individuals for their own benefit.

Vavi will also not vote for the DA, which he said has similar "neoliberal policies" as the ANC.

He would not be drawn on whether he would vote for the EFF.

Following his endorsement of the UF candidate, Vavi said "unfortunately", there was no UF candidate contesting elections in his area in Gauteng, but that he had thrown his support behind the candidate in Port Elizabeth.

This was a "personal decision" and did not involve any of the unions which had pledged to join a new federation which Vavi was in the process of building.

The UF is contesting elections in wards in a number of provinces under different names. In Gauteng, the United Front of Civics will contest wards in the cities of Johannesburg, Tshwane and Ekurhuleni, and in one ward in Sedibeng. In Plettenberg Bay and Bitou in the Western Cape, a United Front affiliate, Active United Front, will contest the area's wards. There are also UF affiliates contesting wards in Limpopo and Mpumalanga.

But the UF of the Eastern Cape — a Numsa stronghold — has the largest presence. Its spokesman, Mziyanda Twani, said the party is contesting 43 of the 60 wards in the Nelson Mandela Bay municipality, as well as wards in Buffalo City, Sterkspruit and the Chris Hani district municipalities.

<http://www.bdlive.co.za/national/politics/2016/08/01/vavi-withdraws-support-for-anc-in-election>

**South African workers**

---

## **Pikitup worker shot in Samwu clash**

*Siphelele Dlodla, Independent Media, 29 July 2016*

Johannesburg - A Pikitup staff member was gunned down in central Johannesburg midday on Friday and another one critically injured after South African Municipal Workers Union (Samwu) members clashed with union officials' bodyguards.

Samwu's deputy provincial secretary, Nonceba Mbilini, told ANA that Samwu members had convened at the union headquarters in Johannesburg to get feedback about the state of the organisation as well as progress the union had made since calling off a month-long unprotected strike in April.

Mbilini said Samwu members clashed with "unidentified" security personnel at the building's entrance who were privately hired in May to protect the union national office bearers since May.

She said the security guards, "who looked like bouncers", called for reinforcement when the scuffle intensified.

"Our members wanted to go inside the building to attend the meeting which had been requested even from the City," Mbilini said.

"But instead, the bouncers physically stopped and harassed them. The bouncers ended up pulling out their guns and shooting randomly into the crowd."

Mbillini said a shop steward from the Rooderpoort depot was shot and died on the scene while another Pikitup employee was wounded and taken to hospital.

She accused the union's national office bearers, especially the president Pule Molalenyane, of abusing workers' contributions by hiring private security which turned against the very same workers.

"Our members are paying the salaries of these people yet they refuse to be accountable to them about how their contributions are spent," Mbilini said.

"This company was paid R700 000 in May just to protect Pule Molalenyane and other officials."

Samwu's regional deputy secretary Paul Tlhabang reiterated Mbilini's sentiments and accused "certain individuals" of having hijacked the union for nefarious reasons.

"This matter has been long coming. Members are tired of individuals who are looting the organisation," Tlhabang said.

Tlhabang said Samwu had been operating under a cloud of fear since its national office bearers were "holding the union to ransom" after they removed from office for allegedly stealing more than R140 million from Samwu.

Deputy general secretary Moses Miya, a legal officer, Surprise Mnisi and Zukiswa Ntsiko, a finance administrator are currently out on bail and facing charges fraud and theft.

---

This year, Samwu removed its president, Pule Molalenyane, first deputy president, John Dlamini and its national treasurer, Portia Lindi, following a decision taken during its central executive committee meeting in March.

But all of them have stuck to their positions.

Tlhabang said union members had come to realise that the national office bearers wanted to collapse Samwu and form their own union.

"It's been terrible working here under such an environment since the bouncers were here. People have been summarily dismissed and suspended without following due processes," Tlhabang said.

Tlhabang said he had asked the security guards to allow members inside the building and was surprised to be called and told of a shooting.

He said police had managed to make arrests after their members were shot.

"There are five or six hitmen who have been arrested," Tlhabang said.

Police were not immediately available for comment.

Pikitup spokesperson, Jacky Mashapu, said as employers they regretted the death of an employee but was not in a position to comment since this was a union matter.

"We regret the loss of life. One death is one too many," Mashapu said.

"As a company, we reserve our right to comment further as we regard this matter as a Samwu issue."

<http://www.iol.co.za/news/crime-courts/pikitup-worker-shot-in-samwu-clash-2051194>

### **Commercial caterers down tools over wages**

*Staff Writer, Business Day, 29 July 2016*

About 2,600 South African Commercial, Catering and Allied Workers' Union (Saccawu) members have begun a three-day protected strike, arising from an unresolved wage dispute with JD Group, the Congress of South African Trade Unions (Cosatu) affiliate said on Friday.

"The strike takes place in the context of a ruthless retrenchment programme, coupled with a brutal assault on terms and conditions of employment of workers, which has been driven with military precision since the take-over of the JD Group by Steinhoff," Saccawu secretariat members Piet Ngoato and Mike Sikani said in a statement.

More than 10,000 workers had been retrenched in the past two years, while most secure full-time jobs had been informalised, through the engagement of lay-bye specialists and freelancers at store level, they said.

The union is demanding an across the board increase of R600 per month. The company is offering 6.25%, which the union says translates to an increase of R125 a month for the lowest paid worker at R2,002 per month. "The employer is also refusing to meet the demand of a minimum wage of R4,500 per month."

---

The union also wants to negotiate a new commission structure for sales staff.

The strike began on Friday and will continue on Saturday and Monday.

<http://www.bdlive.co.za/national/labour/2016/07/29/commercial-caterers-down-tools-over-wages>

## **Pay cuts needed in mining - Sibanye**

*Dineo Faku, Business Report, 29 July 2016*

Johannesburg - The difficult market conditions in the mining industry would require “bitter medicine” including cutting salaries, particularly for the platinum sector, which was on its knees amid metal price weakness and rising costs.

This was the message from Sibanye Gold chief executive Neal Froneman, who told investors yesterday of the pain that the struggling mining sector was under.

“We should be talking about reducing wages not increasing them by 50 percent,” he said referring to the Association of Mineworkers and Construction Union’s (Amcu) demand for a 47 percent wage hike in the platinum majors including Anglo American Platinum.

Amcu, which led a five-month platinum strike in 2014, has demanded R12 500 monthly salaries for entry level workers in wage negotiations that began earlier this month.

Froneman said wages made up 51 percent of Sibanye’s costs while energy was 22 percent

In a bid to prevent a strike at its gold operations, Sibanye agreed to a R50 “monthly safety premium” with its employees early this year. But cutting salaries was likely to be rejected by labour in the platinum sector where labour tensions had escalated in recent years amid union rivalry.

Trade union Solidarity yesterday said salaries should not be cut but should be linked to inflation in return for job security.

### **Belt tightening**

Solidarity general secretary Gideon du Plessis said if companies wanted to tighten their belts they needed to give workers inflation-related salaries.

Du Plessis said companies such as Sibanye had a moral obligation to give job security.

“If companies need to tighten their belts they need to give workers inflation-related (salaries). It is (a) moral obligation for Sibanye to give job security,” said du Plessis.

Sibanye, with a R52 billion market cap, listed on the JSE in 2013 after it was unbundled from Gold Fields and operates the Kloof, Driefontein and Beatrix mines outside Westorania.

It became a multicommodity company last year when it entered the platinum and energy industries.

---

Sibanye is set to become the world's fifth-largest platinum producer as it is in the middle of acquiring Anglo American Platinum's Rustenburg asset for R1.5bn.

The deal is expected to be finalised this year pending regulatory approval.

It snapped up Aquarius Platinum, which owns the Kroondaal Mine in North West, and the Mimosa Mine in Zimbabwe last year.

Froneman blamed the Department of Mineral Resources (DMR) for loss of value through Section 54 safety stoppages, in which it closed mines for safety reasons.

"The DMR is destroying value through Section 54 stoppages," he said. The DMR stopped mining in the event of accidents for investigations.

Froneman said the platinum industry needed to close unprofitable shafts as part of the company's consolidation strategy.

"The assets which do not make money should be shut," he said. Sibanye was planning to smelt, refine and market its products from Rustenburg operations.

Platinum mining in North West was tough, said Jean Nel, the chief executive at Sibanye's Platinum division.

He said the company targeted saving R800 million within three years in its bid to become a low-cost producer.

He said R135m had been lost through safety stoppages at Kroondaal in the year to June while there were 39 community-led protests around the mine in the past 52 weeks.

Amcu had also led an unprotected strike at the mine that resulted in R56m losses.

Nel said: "I think you have got to be careful with calling a strike in difficult economic conditions."

He said workers and the government should be the biggest beneficiaries at Sibanye. "We are not going to take shareholders' money so it can be taken by other stakeholders," he said.

Sibanye shares added 0.75 percent on the JSE yesterday to close at R64.38.

<http://www.iol.co.za/business/companies/pay-cuts-needed-in-mining---sibanye-2050864>

## **We cannot fight railway crime alone – Prasa**

*Paul Herman, News24, 29 July 2016*

Cape Town - The Passenger Rail Agency SA (Prasa) says it cannot fight increasing violent crime at South Africa's train stations on its own.

Prasa was responding to the United National Transport Union (Untu) after the union slammed the body on Wednesday, following a number of violent murders in the last few weeks.

---

Spokesperson Lesedi Mapheto told News24 on Friday that Prasa acknowledges its duty to provide a safe working environment, but depends on other law enforcement groups to aid in the fight against crime.

"While all employers have a common law duty of care and providing a safe working environment, Prasa alone cannot fight and win the war against crime," he said.

"It depends on the key stakeholders, which are the law enforcement agencies and communities, commuters and employees."

'Train drivers in constant fear'

Two armed robbers shot and killed a security guard in Cape Town on Monday while he was patrolling the central line near Thambo Village. The killers escaped.

Malmesbury train driver Pieter Barend Botha was shot twice in the head for his bag while waiting for a train at the Netreg Station in Cape Town two weeks ago.

Untu council member Brian Davids this week said the central line between Cape Town and Khayelitsha on the Cape Flats was getting increasingly dangerous and should be closed if Prasa was unable to secure it.

"Train drivers live in constant fear. The railway line has become so dangerous that they cannot properly focus on the signals they need to look at, allowing them to proceed, as they are constantly on the lookout for criminals," Davids said.

He said Prasa must be held accountable for the recent "senseless and barbaric" killings.

'We have invested heavily'

Mapheto said Prasa had invested in various technologies to combat crime, including segways and CCTV cameras.

"In the last five years, Prasa has taken the lead and partnered with the SAPS in appointing rail police, as well as private security, to augment our own Prasa security personnel.

"We have also invested heavily on technology and equipment, such as two-wheeled segway mobiles and CCTV cameras, to assist our security to track and deal with incidents of crime timeously.

"It is therefore, doubly tragic when criminals with no respect for life violate our environment and target those who are meant to protect."

Mapheto said Prasa will continue beefing up its security operations, and asked for "all hands on deck" to report crime and prevent more loss of life.

## **South Africa**

### **Unemployed may turn away from South Africa's ANC in election**

*Stella Mapenzauswa, Reuters/Yahoonews [UK], 28 July 2016*

---

UMLAZI, Durban (Reuters) - Young, poor, supporters of South Africa's African National Congress are weary of reminders of its liberation struggle, concentrating instead on the ruling party's failure to deliver jobs which could cost it votes in local elections next week.

With a quarter of the work force unemployed and the jobless rate among blacks aged between 20 and 24 at over 48 percent, millions of voters say their lives have barely improved since the ANC won the first multi-racial elections in 1994.

Discontent is rising and ANC supporters are seeking alternatives. Polls say the main opposition party, the Democratic Alliance will win 36 percent of the vote in the economic hub of Johannesburg in the Aug. 3 vote, compared to 35 percent at the last municipal elections in 2011 and may also see gains in two other big metro areas.

But the real switch amongst unemployed ANC supporters may be towards the Economic Freedom Fighters, whose radical leftist ideology, including a vow to redistribute the economic wealth still largely held by whites among poor blacks, resonates with unemployed youth in Africa's most industrialized country.

"I don't think the ANC government is doing enough to create jobs. Five years is too long to be unemployed," said Lindo Mavundla, 24, who has not had a job since leaving agricultural college in 2011.

"I'm not sure there's any point in voting next week, but if I do, it will be for the EFF," Mavundla, who lives in Umlazi township outside the coastal city of Durban and survives mainly on the social grant received by his grandmother.

Polls predict the EFF will win 9 percent, 13 percent and six percent in the three key metros of Johannesburg, Tshwane and Nelson Mandela Bay, in its first municipal contest.

As a result, the ANC's support is seen dropping to 31 percent, 23 percent and 28 percent respectively from 59 percent, 55 percent and 52 percent five years ago.

ANC supporter Zinhle Khumalo has also lost faith in the party of the country's first black president, Nelson Mandela.

Many say President Jacob Zuma has not lived up to the optimism that heralded Mandela's inauguration 22 years ago.

Among many scandals, Zuma survived impeachment in April after the top court said he breached the constitution by ignoring a recommendation by the graft watchdog to pay back some of the money used to refurbish his rural residence.

"We keep getting promises of municipal jobs but they never materialize. I have called the local ANC offices to warn them that they will lose votes if they're not careful," said Khumalo, aged 36, who lives in one of several poorly serviced informal settlements that have sprung up around Umlazi.

Known in the local Zulu language as "i'mjondolo", the settlements comprise wooden shacks whose residents often have no access to running water and electricity and youth crime rates are high.

---

The unemployment rate was 26.6 percent of the labor force in the second quarter of the year, data showed on Thursday.

This was only a slight improvement from a record 26.7 percent in the first three months of the year, in an economy forecast to grow by zero percent by the central bank after a commodity price downturn and a drought that dented farm output. Growth has barely picked up since a recession in 2008/09.

Unemployment among blacks, by far the largest population group among South Africa's 55 million people, stands at over 30 percent, compared with just 7 percent for whites.

The ANC says it has made significant strides in delivering better housing, water and electricity to South African citizens with limited resources, and accuses the private sector of not pulling its weight in helping create jobs.

"We fought for the liberation of South Africa as the ANC and some of our leaders spent years in jail. We can't fix everything that needs fixing in one day, but we will get to it," Zuma told a rally this month, urging supporters not to abandon the party.

#### CAMPAIGN FODDER

Unemployment has provided campaign fodder for the EFF, which is looking to build on its support base after winning 6 percent of the vote when it debuted in 2014 general elections.

"Support for the EFF appears to be strongest amongst the black, unemployed youth, between the ages of 18 and 34," Lefika Securities economist Colen Garrow said. "People without jobs, or the prospect of having a decent one, is probably where the biggest challenge for the ANC will be."

The DA, which elected Mmusi Maimane as its first black leader last year in a bid to boost its appeal across all races, has also taken up unemployment as a key campaign slogan.

"We have made jobs our top priority, because right now almost nine million South Africans cannot find work," Maimane told a rally this week.

Still, voter apathy, especially among the youth could see the ANC squeak through the ballot.

A study by the Institute for Security Studies released this week found that young people are increasingly frustrated by their lot in life but do not see elections as a solution.

"These frustrations entrench the notion that participating in a democratic process like the elections is futile, as it brings with it little to no change in their lives," researcher Lauren Tracey said in the report.

<https://www.yahoo.com/news/unemployed-may-turn-away-south-africas-anc-election-182704977.html>

**ANC Lags Rival in Last ENCA Poll Before South African Local Vote**

---

*Michael Cohen, Bloomberg, 29 July 2016*

Six days before South Africa holds local government elections, the ruling African National Congress trails the main opposition party in three key cities, including Pretoria and Johannesburg, according to an eighth and final public-opinion survey commissioned by broadcaster eNCA.

ANC support rose 3 points to 26 percent in the Tshwane municipality, which includes the capital, Pretoria, while the Democratic Alliance gained 1 point to 41 percent, according to the poll, which was compiled for eNCA by research company Ipsos. The Economic Freedom Fighters lost 2 points to 11 percent, while 11 percent of those surveyed were undecided.

In Johannesburg, the commercial hub, the ANC had 32 percent backing, up 1 point from the week before, the DA held steady at 36 percent and the EFF maintained 9 percent, support, according to the poll. Thirteen percent of those surveyed in the municipality were undecided, it said.

All eight polls commissioned by eNCA show support for the ANC has slipped in urban areas, as a 27 percent unemployment rate, a lack of basic services and a succession of scandals embroiling party leader President Jacob Zuma takes its toll. The ANC has won more than 60 percent of the vote in every election since white minority rule ended in 1994.

#### Losing Support

“The ANC is set to lose substantial support, but we need to be cautious about the extent of that loss,” Gary van Staden, an analyst at NKC African Economics in Paarl, near Cape Town, said by phone. “The worst-case scenario is that they may have to look for some sort of coalition rule, particularly in Tshwane and Nelson Mandela Bay.”

Support for the ANC in Nelson Mandela Bay, which incorporates the city of Port Elizabeth, rose 2 percentage points in the past week to 30 percent, the DA rose by the same margin to 44 percent and the EFF retained 6 percent support, the poll showed. Eleven percent of those surveyed in the municipality were undecided.

“The critical factors in all three of these major cities will be what the undecided voters do and what the voter turnout will be,” eNCA said. “These elements could still swing all three cities in the 3 August ballot.”

The ANC, DA and analysts have questioned whether the poll is an accurate indicator of the likely outcome of the vote, because of the high proportion of undecided voters, the small sample size of 1,500 respondent and the fact that all interviews were done by telephone.

“You can say it is neck-and-neck between the DA and ANC in both Nelson Mandela Bay and Tshwane,” said Jonathan Mokes, head of election strategy for the DA, which has been running its own surveys that have yet to be released. “The battle is going to come right down to election day.”

---

The poll had a margin of error of between 1.2 percent and 2.8 percent in Johannesburg, from 1.6 percent to 3.7 percent in Pretoria and between 2.5 percent and 5.7 percent in Nelson Mandela Bay, according to eNCA.

<http://www.bloomberg.com/news/articles/2016-07-28/anc-lags-rival-in-last-enca-poll-before-south-african-local-vote>

## **Why cracks in the Tripartite Alliance will cost the ANC**

*Dirk Kotze, The Conversation/Rand Daily Mail, 28 July 2016*

The alliance with the SACP and Cosatu previously provided the ruling party with diverse support, securing it victory at the polls. It is now riven with dissension.

South Africa has been governed by the ANC since 1994. The party has operated in an alliance with two other players — the South African Communist Party (SACP) and Cosatu, known as the Tripartite Alliance. But the arrangement has become increasingly fractious, so much so that it could, for the first time, badly damage the ANC's performance in the upcoming local elections.

South Africa's governing alliance should be understood as a product of history. The ANC and Communist Party formed a partnership in the late 1940s and the trade union body the South African Congress of Trade Unions (Sactu), the pre-cursor to the current union federation Cosatu, joined them in 1955 to form the Congress Alliance. They united to produce the Freedom Charter, viewed as the ANC-led alliance's blueprint for an equal, nonracial and democratic society.

After the apartheid government unbanned black liberation movements and released political prisoners in the 1990s, the ANC and the largest domestic anti-apartheid organisation, the United Democratic Front, merged and Sactu was replaced by Cosatu in the alliance. In the negotiations on a new constitution for the country the alliance was represented by the ANC and SACP.

The new South Africa and the alliance

All alliance partners were represented in the first government that was formed after the 1994 elections. There was relative harmony at this point as all were united behind the Reconstruction and Development Programme.

The first serious policy fault-lines began to emerge two years later when the government adopted a new macroeconomic policy. The introduction of Growth, Employment and Redistribution (GEAR), plus President Thabo Mbeki's particular style of leadership, led to the marginalisation of the SACP and Cosatu. Their members nevertheless continued to vote for the ANC.

The SACP always regarded itself as the vanguard of the Tripartite Alliance, in the sense of providing the ideological and intellectual leadership. It was difficult to sustain this role during the Mbeki period. At the ANC's National Conference in Polokwane in 2007, the new ANC President, Jacob Zuma, promised their rehabilitation into the mainstream.

•Poll claims to show ANC is cruising for an election bruising

---

The SACP's contribution in elections is virtually impossible to quantify because of overlapping membership between the three alliance members, as well as the spillover effect it has on extended family members and acquaintances.

But an analysis of membership numbers and electoral support suggests that in the 2014 elections only about 10% of the ANC's electoral support came from paid-up members of the alliance. That year more than 11 million South Africans voted for the ANC. At the time Cosatu had a membership of almost two million, the SACP 220 000 members (2015) while the ANC reached its apex in 2012 with more than a million members.

The fault-lines

There are at least three fault-lines in the alliance:

- internal strains within the trade union federation, Cosatu;
- tensions between the ANC and the SACP; and
- fractiousness over the ANC's succession process which will result in a new leader being elected in 2017.

The trade union federation suffered a major split when eight unions joined the National Union of Metalworkers of SA (Numsa) to support the federation's then general secretary, Zwelinzima Vavi. Unions that remained in the federation included the National Union of Mineworkers, the National Education, Health and Allied Workers' Union and the South African Democratic Teachers Union. Several national union leaders also remained in the federation, including its president S'dumo Dlamini. A major source of contention was around the unions' independence in relation to political organisations.

The split was also partly an extension of the ANC's internal power struggles between those supporting Zuma and those who are either independent or supporters of deputy president Cyril Ramaphosa.

There was also a regional component. Many union branches in the ANC's traditional stronghold, the Eastern Cape, are pro-Vavi. In pro-Zuma provinces, such as KwaZulu-Natal, the Dlamini-Cosatu faction is prominent.

So who now has the dominant influence in the Tripartite Alliance? Traditionally the SACP assumed that role but in several recent ANC elections three provincial premiers (known as the Premier League) have come to the fore. The anti-Communist league has served as the pro-Zuma provincial lobby, effectively wanting to circumvent the alliance in favour of provincial caucusing in the ANC. SACP members are excluded from these processes.

The SACP's power has further been eroded by tensions that have emerged around its general secretary Blade Nzimande who is also the national Minister of Higher Education and Training. Attempts by student organisations to hijack the independent student movement in 2015 led to the ANC-aligned SA Students Congress (Sasco) criticising Nzimande for not implementing the ANC's free education policy. The Young Communist League responded to Sasco by accusing their criticism of Nzimande as criticism of the SACP.

---

The 2017 national succession considerations also constitute a fault-line in the alliance. It has already developed into a contest between Zuma's and Ramaphosa's supporters. The Zuma group includes the ANC Youth and Women's Leagues, the Dlamini-Cosatu group, the Umkhonto we Sizwe Veterans' League and provinces linked to the Premier League. The Ramaphosa group includes provinces like Gauteng, Western Cape and Limpopo, most of the SACP and some unions in Cosatu.

The chances at the polls

These fault-lines and ANC factionalism are clearly not new developments. What might be new is that they can start to influence the voting patterns of alliance supporters.

For the 2016 local elections the SACP has publicly called its supporters to vote for the ANC. It is unpredictable what the members of Numsa, which enjoys enormous support among unionised workers in the motor industry, will do but it could have a significant impact on the results in the automotive centres like Tshwane (Rosslyn) and the Eastern Cape (Buffalo City and Nelson Mandela Bay). These metropolitan areas are generally regarded as the most contested points for the ANC. Most unionised workers in the huge industry, which includes Volkswagen, General Motors, BMW and Mercedes Benz, belong to Numsa.

It is likely that the ANC's national average will for the first time decline to below 60%. An unknown factor is the Economic Freedom Fighters (EFF). It is the strongest in Gauteng, Limpopo and the North West. The EFF's voter turnout is still unknown but it might follow the ANC's pattern. With anything more than 15% in Gauteng it can play a key role in local coalition governments.

In the past the Tripartite Alliance provided the diversity of support for the ANC which secured its majority. Lately the fault-lines in the alliance reinforce much of the factionalism in the ANC, while the ANC's internal power struggles are also duplicated in the alliance members. Many would argue that the alliance effectively came to an end with the split in Cosatu and the emergence of the so-called Premier League. As a result Cosatu and the ANC lost almost a million members in total between 2012 and 2015.

<http://www.rdm.co.za/politics/2016/07/28/why-cracks-in-the-tripartite-alliance-will-cost-the-anc>

### **No other party can rule SA, says Zuma**

*Gertrude Makhafola, Independent Media, 31 July 2016*

Johannesburg – No other political party is capable of governing South Africa except the African National Congress, President Jacob Zuma told thousands of supporters in Johannesburg on Sunday.

He addressed ANC supporters who filled the 62-000-seat Fly Emirates Stadium for the ANC's "Siyanoqoba" rally ahead of the August 3 municipal polls. Zuma attacked the Democratic Alliance which governs the Western Cape.

---

“No other party can govern this country... not even a white party with stooges. The ANC must win back Cape Town and make sure transformation reaches that part as well... Cape Town is a tale of two cities, where the needs of rich are prioritised those of the poor are not... the ANC will work hard to win Cape Town,” he said.

South Africa had changed for the better over the years. Metropolitan municipalities, such as Tshwane and Ekurhuleni, were efficiently governed under the ANC, with Tshwane having transformed by renaming its streets after the country’s heroes.

“Tshwane has done very well in investing in youth development. It is a city with free wifi, especially for our you and students to keep them connected to each other and the world at large,” Zuma said.

The municipal elections on Wednesday have been described as the country’s most highly contested elections since 1994.

The ANC is facing fierce competition from opposition parties, such as the DA and the Economic Freedom Fighters, for a share in the country’s municipalities this year.

The two largest opposition parties have been making inroads and gaining support in the highly contested metropolitan municipalities of Johannesburg, Tshwane (Pretoria), and Nelson Mandela Bay (Port Elizabeth).

<http://www.iol.co.za/news/politics/no-other-party-can-rule-sa-says-zuma-2051558>

## **SABC**

### **Hlaudi fires TV boss**

*Charl Blignaut, City Press, 31 July 2016*

The SABC’s head of television, Verona Duwarkah, has been fired, allegedly because she refused to rubber-stamp the multimillion-rand new TV shows – spearheaded by SABC chief operating officer Hlaudi Motsoeneng – being awarded to hand-picked celebrity producers and artists.

The experienced content and financial management executive has been replaced by Sully Motsweni – the SABC staffer mentioned along with Motsoeneng in the Public Protector’s 2014 report, titled *When Governance and Ethics Fail*.

The report found that Motsoeneng unlawfully appointed Motsweni to various positions and irregularly increased her salary, creating a new position for her as SABC head of monitoring, compliance and operation service – apparently without approval from the SABC’s executive committee.

City Press has learnt from four impeccably placed sources – who asked not to be named for fear of reprisals – that Motsweni has now been promoted again, in defiance of the report.

She is now Group Executive: Television, replacing Duwarkah, who was appointed in 2012 after successfully managing the broadcast of the 2010 Fifa World Cup. She also handled the broadcast of former president Nelson Mandela’s funeral.

---

Duwarkah confirmed this week that her contract was terminated, but was unwilling to comment further.

Asked for comment, SABC spokesperson Kaizer Kganyago said the broadcaster “will not discuss internal business matters in the media space.

The SABC will not be deterred in delivering on its mandate, as it is aware of parties internally as well as externally who have an agenda to attempt to destabilise the SABC in its business operations.”

Insiders this week spoke of chaos and battered morale at the SABC’s content commissioning hub since Motsoeneng began “interfering with, and then scrapped altogether”, the signed-off plan for acquiring new TV shows, which had been approved by regulatory body the Independent Communications Authority of SA (Icasa).

Motsoeneng went on to announce that the state broadcaster was going to produce shows internally, canning planned commissions from the SABC’s approved October 2014 Request for Proposals book.

Motsoeneng then announced an 80% local content quota for SABC TV and began publicly offering contracts to celebrities – including Sophie Ndaba, Winnie Ntshaba, Somizi Mhlongo, Arthur Mafokate and Khanyi Mbau – without following the SABC’s approved procedures.

Insiders say that it was Motsoeneng’s promise of a multimillion-rand, long-term soap opera contract to Ndaba and Ntshaba’s production company, Tegasyx, that caused the final rift with Duwarkah – because she was unwilling to sign a letter of intent for the show.

Motsoeneng, say the insiders, called the commissioning hub to account and defend why they had not renewed SABC1’s popular telenovela, Uzalo, and also why they had not approved several proposals, notably from Ndaba.

These included a documentary series, a telenovela, a fantasy drama series featuring a mermaid and a wedding show.

The sources say the content hub’s main concern was that standard operating procedure was not followed.

“The hub had a duty to evaluate everyone fairly and consistently, but that was thrown out of the window. Now only those who can get to the 27th floor [Motsoeneng’s office] can get a show,” said one.

According to those close to the panel which evaluated the mystical mermaid drama, “there were four really strong proposals and the panel was torn over which one to choose, but Sophie’s was not among them, even though the idea was liked”.

Another insider said: “The SABC’s 25 drama slots are now going to a handful of producers, when the plan was to bring in new voices and new companies to grow the industry. The only people right now getting jobs are those close to Hlaudi.”

---

Motsoeneng's unplanned-for 80% local TV policy has added fuel to the fire, with the SABC now having to find money to pay for hundreds of millions of rands worth of extra content.

The crisis is playing out in particular at SABC3, which had to up its quota from 45% to 80%; and at SABC2, which had to increase its quota by 5%, from 75%.

"There was no approval or paperwork for the increase in expensive local TV content. It is basically illegal because Icasa and the industry have to have buy-in, according to the SABC's licence conditions," said one insider.

Another said: "Experienced people spent two years developing a content strategy, which was thrown out by one press conference."

Money worries aside, viewership figures City Press studied this week indicate that Motsoeneng's 80% quota is causing serious damage.

SABC3 scrapped US soap operas and shows such as Dr. Phil – and its primetime audience share has plummeted by half, to about 5%.

SABC2 is down 5% to 13%.

The viewer drop is attributed to Motsoeneng insisting that the 6pm Sesotho news be moved to later, disrupting the lucrative Afrikaans viewership and pitting two SABC soaps against each other in a ratings war, where both SABC2's 7de Laan and SABC3's Isidingo have ended up losers, according to the latest available audience data.

Motsoeneng was cleared of all charges against him in the SABC's internal disciplinary hearing in response to the Public Protector's report, the judgment of which was broadcast live by the public broadcaster.

The Public Protector's office this month said that it had launched a preliminary investigation into the latest developments at the SABC.

<http://city-press.news24.com/News/hlaudi-fires-tv-boss-20160730-2>

### **Comment and opinion**

#### **SABC & elections- portents of more political turbulence**

*Terry Bell, Fin24, 29 July 2016*

NEXT week will be the climax of probably the most fractious and bitter political campaigning, certainly at a local level, that the country has seen since 1994. And, whatever the outcome, it will have repercussions throughout society, not least within the trade union movement and, in particular, among the various sections of what was once a united Cosatu.

The situation will be exacerbated by the financially ruinous farce at the SABC. And this involves the Cosatu-aligned Communications Workers' Union (CWU) that is widely regarded as having cozied up to the discredited management. The other once militant union with its origins in the anti-apartheid struggle, the Media Workers Association (Mwasa), a Nactu affiliate, has simply faded from the scene.

---

This may be a portent for the political front, where the name of Nelson Mandela is being bandied about by many of scores of parties, all trying desperately to appropriate something of the icon's prestige. Along with race and ethnicity, Heaven and Hell have also come into play with President Jacob Zuma vowing that those who desert the ANC are destined for an everlasting bonfire.

Clearly, in his view, the majority of National Union of Metalworkers (Numsa) members and the various fragments from Cosatu unions who have joined them, are in league with the Devil. Apparently, therefore, the majority of the Food and Allied Workers' Union delegates who, in six provincial congresses, voted recently to leave the ANC-led alliance are also headed that way. Or at least to purgatory.

But perhaps not. Despite wishing to depart from the alliance, the rebellious unionists may still put their crosses in what have been claimed as the divinely ordained boxes. That may well happen or, as also seems likely, many disillusioned ex or would-be ex Cosatu unionists will abstain, not seeing any viable alternative to the ANC.

Some have argued for more than 20 years that the ongoing affiliation to a political party in power is, in itself, reneging on the concept of principled unity that has always been the credo of the trade union movement.

The alliance of "all anti-apartheid forces" was an understandable demand in the battle to defeat apartheid, a goal seen mostly in simplistic terms as winning the vote for all citizens. Once that was achieved within the framework of a free enterprise — capitalist — country and world, race was removed from parliamentary politics. But massive residues remained in all other sectors of society.

The greatest contradiction was when the ANC became the government and, therefore, the largest employer in the land. This, critics maintained, would result in fragmentation and disarray among once determined fighters for human rights.

A classic example of such disarray is evident at the SABC, especially following the controversial sacking of eight journalists. But the vacuum left by the CWU and Mwasa has been well filled by Solidarity and the 1 086-member Broadcasting Electronic Media and Allied Workers' Union (Bemawu).

However, to the chagrin of most strugglista unions, Solidarity's roots lie with the segregationist Mynwerkers Unie with its stress on a claimed white, Afrikaner "nation". Bemawu's origins lie within the SABC from 1950. So there is more than a touch of irony in the fact that it was Solidarity and Bemawu that this week took the SABC to court.

In the process, they became the constitutional standard bearers of freedom of expression at the public broadcaster where management capitulated in the face of having to personally pay substantial costs.

This sorry chapter at the SABC may now be coming to an end, but will probably do so amid much buck passing and finger pointing. Some of this may spill over into the recriminations that will almost certainly follow Wednesday's poll, whatever the outcome.

---

As a result, this seems likely to herald a period of even more political turbulence, especially if and when the promised new and Numsa-led labour federation makes its appearance.

<http://www.fin24.com/Economy/Labour/InsideLabour/inside-labour-sabc-elections-portents-of-more-political-turbulence-20160729>

---

## Looking beyond the minimum wage

*Martin Hopkins, Independent Media, 30 July 2016*

Perceived overpayment of executives has become a highly divisive issue, and is fuelling antagonism between labour and employers. It has also become a political football. But the underlying cause for the bitter resentment is the fact that the lowest-paid workers are often unable to live decent lives.

“The real issue we should be confronting is not just the minimum wage but what a living wage is, and how to begin paying it,” says Martin Hopkins, an executive committee member at the South African Reward Association (SARA) and a partner at PWC in the People & Organisation practice.

The minimum wage is a statutory minimum that all employers must pay, whereas the living wage is a generally higher level of income that can provide for a “frugal but dignified life” for the employee and his or her nearest dependants. Paying a living wage is usually a voluntary measure adopted by an employer.

“Companies should see paying a living wage as a strategic imperative that will improve employee engagement, improve relations with important stakeholders and contribute to social stability,” says Hopkins.

### National minimum wage debate

In South Africa at present, minimum wages are set by sector. There is a body of opinion that argues the need for a national minimum wage which, Hopkins says, would probably be between R3 500 and R3 700 per month. Whether a national minimum wage would have a positive or negative effect on unemployment generally is a hotly contested point.

However, it needs to be recognised that just paying the minimum wage creates a category of the “working poor”, people who simply do not have enough to live decent lives, and cannot afford to educate their children properly. The working poor are a destabilising force both in the company and in society in general because they support perceptions that “the system” is unfairly biased towards those at the top.

“However, we should not lose sight of the fact that there are relatively few people equipped to lead a large company, where the slightest miscalculation can have devastating consequences for share- and stakeholders,” says Hopkins. “These executives are global, so a company that does not pay the market rate runs the risk of losing its top talent.”

### Balancing both sides

Balancing the need to retain and incentivise top executives with the moral imperative to treat the lower paid workers fairly is one of the biggest challenges for remuneration committees, says Hopkins. It is clear from the draft of King IV that the ethical implications of remuneration are to become part of the governance landscape. King IV gives remuneration committees the responsibility to ensure “fair and responsible remuneration” within the context of the wage gap between executives and the lowest-paid employees.

The argument for paying a living wage

Hopkins argues that remuneration policies should be seen as contributing to the company’s social licence to operate. It’s no mistake that in the United Nations Sustainable Development Goals - “inclusive and sustainable economic growth, employment and decent work for all” - are linked, he says.

The United Kingdom-based Living Wage Foundation cites an independent study showing that it improves the quality of work, reduces absenteeism, and enhances recruitment and retention. Seventy-five percent of employees reported that the quality of work they delivered improved as a result of being paid a living wage, while 50 percent said it predisposed them to adopt changes in their working practices.

“One should not underestimate the challenges that many companies would face in paying a living wage, which would be significantly higher than the minimum wage but, equally, one should not lose sight of the fact that it is imperative in order to rebuild social trust in business, and to defuse the antagonism that has built up between labour and employers - something that is impeding growth,” Hopkins concludes.

“We need a neutral, non-partisan body to be established to develop a rigorous methodology for establishing just what a living wage is, to advocate its implementation, especially in large profitable companies, and to conduct studies that measure its benefits.”

*\* Martin Hopkins is an executive committee member at the South African Reward Association and a partner at PWC in the People & Organisation practice.*

*\*\* The views expressed here do not necessarily reflect those of Independent Media.*

<http://www.iol.co.za/business/opinion/looking-beyond-the-minimum-wage-2050989>

## **Nicola’s Notes: Political powerball**

*Nicola Mawson, Sunday Independent, 31 July 2016*

The political hot potato of a national minimum wage has again made headlines in the run-up to next week’s local government elections; although this time the topic has been raised by outsiders.

A contentious issue no matter where you stand, the topic has garnered political attention from both ends of the spectrum, and could well have been a serious electioneering topic. Instead, the run-up to this year’s vote has been characterised by the usual mud-slinging and violence.

---

So much so, that ratings agency Fitch warned a few months ago against SA implementing populist measures such as introducing a minimum wage in the run-up to local elections in August.

Earlier this week, City University of New York's Stephanie Luce was on Radio 702 suggesting that the naysayers were wrong: minimum wage didn't lead to job losses in the long-term. In fact, after a short-term hiccup, it actually resulted in more jobs, and more money going into the economy.

This she had based on a study of several states in the US and, while conceding America is hardly a developing country, she said there were many structural economic similarities between us and them.

My alma mater has also released a study. The University of the Witwatersrand notes a minimum wage of between R4 500 and R5 000 a month would push up buying power, and help grow the economy.

Let's face it, any boost to the economy - which stalled when it was only just out of the station - will be more than welcome.

The Department of Labour has also weighed in, noting that, if it were to be introduced, a national minimum wage would be a tough balancing act.

For and against

Currently, SA looks set to introduce a national minimum wage, with Cosatu threatening all sorts of protests if the country doesn't implement this labour protection.

About a month ago, SA took a big step forward in the implementation when government, labour, community and business constituencies at the National Economic Development and Labour Council (Nedlac) decided to deploy a team of experts to determine the modalities of the system, including a feasible level.

Setting a level won't be easy. Do you look at a liveable wage? A minimum wage? Which is right? How do you work that out?

Martin Hopkins, an executive committee member at the South African Reward Association and a partner at PWC in the People and Organisation practice, says we should look at a living wage, and how to implement it. He argues CEOs' salaries - too high or not - are fuelling antagonism between labour and employers because the lowest-paid workers are often unable to live decent lives.

That certainly makes sense to me.

Hopkins points out that, currently, minimum wages are set by sector. He notes some have suggested the wage be set at between R3 500 and R3 700 a month. He adds a minimum wage will create a category of working poor, which is why it must be a living wage - but both sides need to be balanced as top execs are needed to run a company well (especially in tight economic times), while treating workers fairly is important.

---

Hopkins cites an independent UK study, which he says shows a living wage improves the quality of work, reduces absenteeism, and enhances recruitment and retention, to support his argument.

The DA's mayoral candidate for Johannesburg would certainly disagree. Herman Mashaba argues in his book, *Capitalist Crusader: Fighting Poverty Through Economic Growth*, that the concept of a minimum wage, and the legal requirement to impose a wage agreement between a majority union and all staff - regardless of their union membership status - is counterproductive.

Mashaba - who is himself a wealthy businessman after starting *Black Like Me* during apartheid - says workers should be able to sell their labour for whatever they want; simplifying employment to economic supply-and-demand terms.

Cosatu, however, argues that a minimum wage will avoid strikes and improve labour relations as well as making a significant contribution to stimulating equitable economic growth and development.

Others have argued it will hurt small businesses the most, and will lead to job losses because companies - in this economic climate - can't afford it. That also makes a level of sense to me; if a mini company is getting away with paying a receptionist R2 000 a month, and then has to double that salary, they'll likely elect to answer the phones themselves.

Not so, says Luce. She says this situation did not pan out in the US in alarming numbers and small companies were happy to pay a minimum wage because they wanted to keep key skills.

Not the same

Yet, whatever Luce believes, SA is fundamentally different to the States. Our economic growth is predicted to be, erm, zero this year, and I wouldn't be surprised if we are in a technical recession. The US is growing, even if only at 1.1 percent.

Our jobless rate is - officially at least - painfully high. Unofficially, the situation is even worse. In the second quarter, the jobless rate inched lower to 26.6 percent quarter-on-quarter, although it rose sharply year-on-year with more than 400 000 more people unemployed.

In America, only 5.5 percent of its working-age population is unemployed.

Those are rather sharp differences.

Our unemployment rate is especially acute among our younger people - a category of people who are vital for our future growth.

Statistics SA's latest figures show that, out of the 20 million people between the ages of 15 (the legal age at which you can start working) and 34 (cut off for being considered young), only 6 million are employed. That's less than a third of our youth in gainful employment.

That's far from good.

---

Luce says a minimum wage actually helps the youth become gainfully employed. I didn't hear how, because some [insert rude word here] without indicators decided to ignore Pauli's exclusion principle.

Even so, that would be good news for all concerned, and our economy, which is currently in the ICU.

There are also other ways to get our youth into a situation where they have job security. Asher Bohbot, EOH's CEO, is passionate about this topic, and has developed a toolkit that companies can piggyback off to offer internships.

Essentially, his idea - which sees EOH take in a few hundred interns a year - means that companies up-skill young people on the government's ticket, and help them get the skills they need to get a job. He notes the chances of a young person with work experience getting a job versus one without is substantially higher.

Are either of these solutions? Which one is best?

I don't know; maybe it's a combination of both.

What I do know is that the issue of a living wage, or a minimum wage depending on your ideology, and employment, should not be a political one.

It can't be a promise made to win votes: these are people's lives, and our economy we're talking about. Votes are not at stake, futures are.

*\* Nicola Mawson is the online editor of Business Report. Follow her on Twitter @NicolaMawson or Business Report @busrep.*

<http://www.iol.co.za/business/opinion/nicolas-notes-political-powerball-2050943>

---