



Numsa Media Monitor

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

South African workers

Fawu: will they stay or will they go?

Theto Mahlakoana, Independent Media, 22 August 2016

Johannesburg - All eyes are on Cosatu affiliate, the Food and Allied Workers Union (Fawu), as it holds its much anticipated congress this week where it will decide whether to stay in the federation.

Fawu has been contemplating its possible departure from the labour organisation for some time, with some within the union in favour of joining the yet to be launched federation organised by former Cosatu general secretary Zwelinzima Vavi among others.

The meeting in Bela Bela, Limpopo, is a defining moment for Fawu, and those who want it to remain in Cosatu will not go down without a fight.

Well wishes and messages of encouragement have poured in from Cosatu affiliates which have reminded Fawu of its importance to the federation.

Congress delegates will also elect new leaders, a point of contention within the union which has seen the dismissal of a number of provincial leaders in the wake of infighting in Cosatu.

“We hope that Fawu delegates will use their power to unite their organisation and refuse to allow any divisions or fragmentation in their organisation,” said Cosatu spokesman Sizwe Pamla.

“We also trust that the workers will use this congress to defend their federation and also use this opportunity to reaffirm Fawu as an affiliate of Cosatu. This federation

remains a home of all workers and all workers will be better organised under the leadership of Cosatu.”

Health union Nehawu, police union Popcru, and teachers’ union Sadtu which have been on opposite ends with Fawu during the Cosatu, also issued media statements ahead of the three-day congress.

Nehawu pushed for critical debate at the meeting, also warning of “external pressures”.

“We are very much hopeful that the delegates will assist all of us to find the lasting solutions towards strengthening the federation of the workers, our alliance, our country and its people. The militant character of Fawu gives us confidence that, no amount of external pressure will succeed in dividing Cosatu and all workers,” a statement issued by the union said.

The SACP, which is in an alliance with Cosatu, reminded workers that the federation would always be home to them.

“The SACP pledges to work together with Cosatu to entrench the federation as the home of the food and allied workers. The SACP urges the current leadership of Fawu to place the unity of union and Cosatu above their own personal interests and preferences.”

<http://www.iol.co.za/news/politics/fawu-will-they-stay-or-will-they-go-2059790>

Durban hospital strike: Union waits to hear from CMMA

Anelisa Khubeka, East Coast Radio, 23 Aug 2016

The SA Public Services Union says its members at various hospitals across the country who have not joined their strike should not do so.

The strike is well into its fourth month at some Durban hospitals including Prince Mshiyeni Memorial, King George, King Edward and Wentworth.

Safety concerns were raised when the strike turned violent in June.

The union's Joe Sibiyi says they've approached the CCMA on the matter saying it would be fruitless for members to begin striking while they wait.

"The members will remain outside because [some of] their services have been terminated by this service provider. Some are not terminated but they [service providers] want these members to resign.

"We took the matter to arbitration which will be sitting on September 20 so that the commissioner at arbitration can come up with a binding decision that can be contested in court," he said.

Two security guards were shot and killed last month at Prince Mshiyeni Memorial Hospital in Umlazi.

Security has since been beefed up at all hospitals where support staff have been striking as to ensure no other incidents occur.

There have been strikes at a number of Durban hospitals recently by cleaners, security guards and kitchen staff who are complaining that the companies that they are contracted to are pocketing most of the money they are being paid by institutions for their services.

The workers say they want the health department to employ them directly.

<https://www.ecr.co.za/news-sport/news/durban-hospital-strike-union-waits-hear-cmma/>

Published: Aug. 23, 2016, 10:28

NUM sticks to its guns

Heidi Giokos, Independent Media, 22 August 2016

Johannesburg - The National Union of Mineworkers (NUM) is sticking to its guns over demands it has made of Northam Platinum in Limpopo, including that its CEO Paul Dunne resign.

More than a thousand mineworkers embarked on a march raising concerns related to the end of 'witch hunting, victimisation, suspension and the charging of NUM members' at the mine last week.

The union has given the company 21 days to respond to its demands and grievances, otherwise it will down tools.

NUM Rustenburg regional secretary Desmond Mfuloane told Independent Media on Monday that negotiations between the mine and the union would be a long process and that the union would remain patient until 21 days were over.

"We have given the mine 21 days to respond to our grievances, given the magnitude."

"We will be taking our issues to the CCMA (Commission for Conciliation, Mediation and Arbitration) and the Labour Court should the mine not cooperate with us," he said.

The NUM has accused the mine of being in cahoots with majority union, Amcu, in the alleged victimisation of its members. Both NUM and Amcu members have died as a result of fighting on the mine. The NUM said last week six of its members had been killed since the beginning of the year.

The mine's management told Independent Media that would continue to liaise with employees and union representatives.

"In terms of their recognition agreement there are various channels and forums in place which provide a platform for members to take up any issues they may have with management. Zondereinde management has, and will continue to liaise with employees and their representatives through these channels," said Northam Platinum spokesman Marion Brower.

The country's biggest labour federation, Cosatu, has thrown its weight behind the NUM.

Cosatu spokesman Sizwe Pamla said that the federation would do everything possible to prevent any further deaths in the mining sector.

"We will not hesitate from targeting and shutting down those mines that are trying to foster discord and violence in the workplace.

"We will not allow these exploiters to make their blood soaked profits on the backs of workers lives," he said.

<http://www.iol.co.za/business/companies/num-sticks-to-its-guns-2059781>

Team SA ragged over tacky tracksuits

eNCA, 22 August 2016

CAPE TOWN – Team South Africa’s official tracksuits were ridiculed at the 2016 Rio Olympic Games, with Sports Minister Fikile Mbalula saying the athletes "deserve better".

The team reached its target of 10 medals at the games, but much of the talk has been about the baggy, ill-fitting '90s-style tracksuits worn by the athletes.

The tracksuits were branded “cheap, oversized and tragic” by South Africans on social media.

A Chinese company, 361-degrees made the tracksuits.

The Southern African Clothing and Textile Workers Union (SACTWU) says the tracksuits were an embarrassment.

"It is disgusting, it looked horrible. Compared to our African neighbours and our other fellow African brothers and sisters – they looked smart, it was relevant to their country, relevant to the continent," said SACTWU spokesperson Fachmy Abrahams.

"We do know it was a Chinese company, other than that it's a very little known company," he said.

“Our understanding from the little bit of research we have done, is that they have been around for about 10 years. But outside of China no one knows this company.”

Attempts to get comment from Sascoc officials were unsuccessful.

SACTWU feels local designers should have been given preference.

"It would have been great to see one of our local designers, who are admired overseas on the ramps of New York, Paris and Milan,” said Abrahams.

“Why weren't any of them... approached? And surely if it was a cost issue, I think national pride would have taken precedent over profit.” – Pheladi Sethusa

<https://www.enca.com/sport/it-looked-horrible-says-sactwu-on-team-sa-tracksuits>

South Africa

ANC loses power in Johannesburg for first time

Milton Nkosi, BBC Africa, 23 Aug 2016

South Africa's governing ANC party has lost control of the country's largest city and economic centre, Johannesburg.

The city council elected as mayor Herman Mashaba from the opposition Democratic Alliance (DA).

The ANC had run the city since the fall of apartheid more than 20 years ago. It lost its council majority in local elections, although it is still the largest party.

The party has also lost control of the capital Pretoria and Cape Town.

It follows local elections earlier this month that produced no outright winner in most districts, resulting in hung municipalities and forcing parties to form coalitions to govern.

Of the country's six biggest cities, the ANC only won an outright majority in Durban, seen as a stronghold for South African President Jacob Zuma.

There was drama at Monday's Johannesburg council meeting, which lasted 11 hours.

A scuffle broke out between opposition party members and electoral commission officials and an ANC councillor who was sworn in earlier in the day collapsed and died shortly after Mr Mashaba was elected.

The ANC had won 44.5% of the vote, more than the DA's 38.4%. But the left-wing Economic Freedom Fighters (EFF) with 11% found itself in the position of kingmaker and refused to give its votes to the ANC.

The election of the Democratic Alliance's Herman Mashaba as mayor of Johannesburg represents a tectonic shift in South African politics.

This is the first time since the end of apartheid that the ANC lost control of the city of gold, as Johannesburg is known locally.

The Johannesburg wing of the ANC is known within the party to be professional and not corrupt.

However, voters still punished it for the litany of corruption scandals the ANC has been involved in at a national level.

And there were some local problems, including potholed roads, a shambolic electricity billing system and refuse strikes that left the city filthy.

What has happened in Johannesburg is a microcosm of what could happen nationally come the general election in 2019.

Mr Mashaba, a 56-year-old businessman, has promised to reform the city administration.

"As of this evening, corruption is declared public enemy number one in this city," he told cheering supporters.

"Public monies that have been misspent, misused, over the last five, 10 years or so ... we're going to take this money, we're going to look after it, so that we can provide basic services to our people."

Mr Mashaba also pledged to tackle unemployment.

"Over 800,000 of our residents, one-in-three, are today unemployed. We need to address this and we need to address this as a matter of urgency."

<http://www.bbc.com/news/world-africa-37161530>

Arrest the hostilities, ANC and SACP urged after KZN political killings

TimesLive, 23 August 2016

The South African National Civic Organisation (Sanco) wants the African National Congress (ANC) and the South African Communist Party (SACP) to "intensify efforts to arrest hostilities" which led to at least two killings in Inchanga.

But, Sanco also attempted to suggest that a "third force might be exploiting the differences" between the two, but did not provide evidence of this.

Sanco said it made the call following "the killing of an SACP leader, Nonsikelelo Blose, who was shot three times on Sunday night" in the KwaZulu-Natal town.

"It is alleged that a man that fired shots at marchers that were protesting Blose's killing on Monday was shot dead in an exchange of fire," Sanco added.

Spokesperson Jabu Mahlangu said "everything must be done to restore political stability necessary for accelerated service delivery and community development".

"Progressive forces must denounce the senseless violence, commit themselves to restore peace in the area and isolate warmongers," he said.

Mahlangu appealed to the ANC and SACP "to follow through an earlier agreement to intensify efforts to arrest hostilities in the area in order to bring an end to political thuggery and barbaric acts of violence which undermine safety of communities and the unity of the revolutionary alliance".

<http://www.timeslive.co.za/politics/2016/08/23/Arrest-the-hostilities%E2%80%9A-ANC-and-SACP-urged-after-KZN-political-killings>

ANC under siege, admits Mantashe

Thabiso Thakali, The Star, 24 August 2016

Johannesburg - ANC secretary-general Gwede Mantashe has painted a bleak picture of what the party faces in its quest to reconnect with the electorate after it suffered crushing losses in the key metros in the municipal elections.

The ANC's loss of power in the three key metros of Joburg, Tshwane and Nelson Mandela Bay in Port Elizabeth appears to have proven a damning indictment on the party's leadership.

On Tuesday Mantashe went as far as to give credence to a call by the ANC Youth League for an early conference to elect new leaders to take the party forward. He suggested to journalists that that was "not a bad idea".

Mantashe said the ANC acknowledged that the negative narrative towards President Jacob Zuma on Nkandla affected the ANC as the two couldn't be separated.

"It's like the issue of resigning from the ANC; what we are saying is that if we take collective responsibility, our conscience must allow us to accept that if need be, we must resign in numbers," he said.

"If we made blunders we did them together."

Mantashe said that if the ANC was to recover from the slump it had to conduct an objective analysis.

"If we think that those we love must not be touched and those we hate must be touched, we will be committing a similar mistake, we will sink deeper into the hole," he said.

At first he underplayed the extent of the defeat by insisting the party could do many things to reconnect with people. "In this case nobody has won those metros. They are governed by a collection of a big number of political parties. That, in itself, is an opportunity because to have a coherent programme will require a lot of hard work by those parties," he said.

"The ANC, if it is effective in the opposition benches, can actually turn the balance of forces in its favour. That's what we will do, work hard and accept that we are in opposition."

Mantashe said the first test was to ensure the ANC worked hard for unity as a coherent organisation. He said the party advised its members not to talk negatively about the organisation as this would come back to haunt it.

Mantashe, who has come under attack by the ANCYL recently, said the ANC needed to go back to the people, talk to them and own up to mistakes made.

He cautioned against throwing everything away and hoping that out of a new leadership, the party would be better.

He said if the ANCYL wanted an early conference, the party must go to it with an objective - clear reflection and unity.

Mantashe said the early conference would give whatever leadership that came out of it a longer period to prepare for the 2019 national and provincial elections.

"It's not a bad idea, it's actually being discussed in various structures of the ANC. But we can't go to early conference because we are angry because we have done badly and we have seen a decline in the elections and we rush to conference, fight, smash each other and blood on the floor. We will come out of it more divided."

Mantashe said the party had to confront and fight factionalism at all costs, in a thinly veiled swipe at the ANCYL, which has called for the expulsion of Gauteng leaders.

He even dared the league's leaders, who backed Zuma, saying that if they called for him to fall for talking about an international trend of leadership, taking responsibility as a collective, so be it.

"If the constituency say pack your bag, pack it, simple. The debate must be in the organisation and should not just be: 'Let Gwede go.'

"No, it's not about Gwede, it is about a leadership that led the ANC to an 8 percent decline in the outcome of the elections," he said.

<http://www.iol.co.za/news/politics/anc-under-siege-admits-mantashe-2060334>

Hawks target Pravin

Craig Dodds, Independent Media, 24 August 2016

Cape Town - Finance Minister Pravin Gordhan and four other former Sars officials have been instructed to present themselves to the Hawks' head office at 10am on Friday "without fail" in connection with alleged contravention of the Interception of Communications and Provision of Communications-Related Information Act of 2002.

The Star has seen the contents of the letters they received, which state that the alleged Sars "rogue unit" facilitated installation of bugging equipment in the Silverton, Tshwane, offices of the former Directorate for Special Operations (Scorpions)/National Prosecuting Authority and made transcripts of conversations there.

The five are instructed to meet investigating officer Brigadier Nyameka Xaba for the taking of a warning statement - usually the last step before the formulation of criminal charges.

Finance Ministry spokeswoman Phumza Macanda confirmed the correspondence to The Star last night, but did not comment on its contents.

Hawks spokesman Brigadier Hangwani Mulaudzi did not wish to confirm the correspondence with Gordhan, former Sars deputy commissioner Ivan Pillay, former group executive: strategy and risk Pete Richer, former group executive: enforcement investigation Johan van Loggerenberg and former head of the unit Andries Janse van Rensburg, saying "We don't comment on matters that are under investigation".

Gordhan was Sars commissioner when the unit was established.

It is understood that Van Rensburg reported to the Hawks on Monday.

Former Sars spokesman Adrian Lackay denied reports he was among those warned to report to the Hawks, saying he had received no indication he was a suspect.

He said he knew, however, that Sars commissioner Tom Moyane was the complainant.

The rand, which had strengthened to a high for the year of R13.21 to the dollar last week, immediately went into retreat, reaching R13.90 within hours of the first reports of the Hawks letter in the Daily Maverick.

Gordhan, Pillay and Van Loggerenberg have consistently denied knowledge of any unlawful activities. It is understood Gordhan was consulting his lawyers and would not report to the Hawks offices in person.

The latest move by the Hawks comes after an unofficial "truce" in which Hawks head Berning Ntlembeza had given Gordhan the assurance he would not be "embarrassed" by an arrest without first being notified.

The Hawks denied at the time that Gordhan was being probed.

This followed a sharp drop in the value of the rand in May, after reports of Gordhan's imminent arrest, compounding losses by the currency after the removal of Nhlanhla Nene as finance minister in December.

President Jacob Zuma had also, before the elections, denied suggestions that Gordhan's job was under threat and, most recently, the Presidency denied reports of a rift between the president and the National Treasury over SAA.

Zuma has now taken a direct interest in the management of state-owned companies, including SAA, which had been placed under the Treasury, following a cabinet lekgotla at the weekend.

Minister in the Presidency Jeff Radebe announced on Monday that a presidential co-ordinating council would be established to give Zuma "line of sight on strategic decisions and interventions" in state-owned companies.

<http://www.iol.co.za/news/crime-courts/hawks-target-pravin-2060324>

ArcelorMittal SA agrees to stop import parity pricing

Linda Ensor, Business Day, 23 August 2016

ARCELORMITTAL SA has undertaken to remove import parity pricing with immediate effect, in accordance with an agreement on fair pricing principles reached with the Department of Trade and Industry.

The agreement reached about a month ago has been long in the making and was strengthened by a settlement ArcelorMittal SA reached with the Competition Commission this week. This will require the steel producer to pay an administrative penalty of R1.5bn for its anticompetitive pricing policies.

The government has wanted to target import parity pricing in terms of which ArcelorMittal SA based its domestic prices on international steel prices. This has been blamed for high input prices and for harming the competitiveness of the downstream industry.

The international steel price has slumped due to a glut in supply, but the new pricing agreement will ensure that domestic prices do not rise on an import parity basis when the international steel price increases in future.

The pricing principles will only apply to flat steel products, which have more value-add than long products and also because there is more competition in the latter market.

Briefing Parliament's portfolio committee on trade and industry on Tuesday, Trade and Industry Minister Rob Davies said the local price for flat steel products would be based on an import weighted average basket (excluding Russia and China) of products, which SA competes against.

The basket countries will include the EU (50%), Asia (30%) and the North America Free Trade Area plus Brazil (20%).

Global steel indices will be used, and agreed-upon benchmarked prices will be added to the hot roll coil base price to calculate the base prices for other flat steel products. Agreed-upon averages not exceeding 11% overall will be used to calculate "extras".

"When ArcelorMittal SA reviews its flat steel pricing it will be done using a transparent mechanism based on forecast basket prices and the rand-dollar exchange rate assuming a one-month forward. The announced and published price will include the settlement discount, which is currently 2.5%," Davies said.

The minister noted that there had been a close correlation between the basket and ArcelorMittal SA prices from early 2015, as the global slump in steel prices took hold. ArcelorMittal SA reduced its prices in July on the basis of the basket.

A steel committee under the auspices of the International Trade Administration Commission would monitor the import weighted basket and compliance by ArcelorMittal SA, with the pricing mechanism for all flat steel products.

"The overall ebit (earnings before interest and tax) margin cap to be imposed will have the effect of ensuring that the benefits of iron-ore pricing will result in a benefit to ArcelorMittal's customers and the downstream industry," Davies said.

In terms of ArcelorMittal SA's agreement with the Competition Commission, the company will cap its ebit margin at 10% for flat steel products sold in SA, with a variation up to a maximum of 15% depending on market circumstances.

Davies said the key outcome of the tariff increases on various primary steel products and the pricing agreement was to achieve a "viable, competitive and sustainable" steel industry in the country.

<http://www.bdlive.co.za/business/industrials/2016/08/23/arcelormittal-sa-agrees-to-stop-import-parity-pricing>

Zuma to oversee parastatal strategy

Linda Ensor & Carol Paton, 23 August 2016

PRESIDENT Jacob Zuma is to directly oversee the strategy of all state-owned companies and any government interventions that might be necessary, through the creation of a special presidential co-ordinating committee that he will chair, the Cabinet announced after its biannual lekgotla on Monday.

The lekgotla also made far-reaching "radical decisions" on government procurement policy that will see the Treasury drafting new legislation to ensure that 30% of government contracts are set aside for small and black-and women-owned companies.

The lekgotla is a planning session for the Cabinet that feeds into the budget-planning process.

The decision to place Zuma at the apex of decision-making is noteworthy, as there has been significant tension within the government over state-owned companies, particularly between South African Airways (SAA) and Denel, and the Treasury.

Announcing the decisions of the meeting, Minister in the Presidency Jeff Radebe said on Monday the intention was to provide Zuma with "line of sight on strategic decisions and interventions to create state-owned companies that will play a transformative role in a capable developmental state".

The Cabinet also promised that by the end of 2016 it will have finalised a new shareholder ownership model for state-owned companies.

A second major development announced by the Cabinet is that the Treasury would develop a comprehensive Public Procurement Bill that would consolidate various procurement-related laws into a single piece of legislation.

The Cabinet expects the draft legislation, which will include setting 30% of contracts aside for small enterprises, to be introduced by March 2017. Radebe described the decision as a "radical intervention".

Both decisions can be seen as a blow to the Treasury and Finance Minister Pravin Gordhan. Gordhan and Zuma have been engaged in a cold war over the choice of appointments to the SAA board for the past eight months, with the result that the company still operates with a minimal board.

Zuma's office denied on Monday that he and Gordhan were in disagreement.

The Treasury has also dragged its feet on changes to the preferential procurement act on the grounds that setting aside contracts would have an effect on price and value for money.

Treasury spokeswoman Phumza Macanda said yesterday the proposed bill would fundamentally affect the current Preferential Procurement Policy Framework Act and its associated regulations.

"National Treasury will not comment on the contents of the draft bill at this stage because this is all work in progress. But, we can assure everyone concerned that a legislative process will be followed in legislating the Public Procurement Bill, which includes an extensive consultation process," Macanda said.

Pending the promulgation of the new act, the proposed preferential procurement regulations will apply in the interim. These regulations, published in June, raised the threshold for preference to black-owned companies from R1m to R100m.

The regulations also proposed that for contracts of more than R30m, it will be compulsory to subcontract a minimum of 30% of the value to emerging suppliers, including small and black-, women-or youth-owned enterprises.

The government wants to ensure these companies get a greater slice of the R550bn it spends each year on procuring goods and services.

The Treasury has received about 125 comments on the draft regulations. The final, revised regulations were expected to be submitted to Gordhan in September and could be ready for promulgation in October, said Schalk Human, chief director in Treasury's Office of the Chief Procurement Officer.

Several other decisions were announced on Monday, including a decision to establish "a broadband war room" to accelerate the finalisation of the government's information and communications technology strategy.

Radebe said that Cabinet hoped that the court action between Telecommunications and Postal Services Minister Siyabonga Cwele and the Independent Communications Authority of SA would be settled out of court.

The Cabinet also made a pledge that both the Integrated Energy Plan and the Integrated Resource Plan for Electricity will be finalised by the end of 2016; and to step up monitoring of localisation targets in procurement.

<http://www.bdlive.co.za/economy/2016/08/23/zuma-to-oversee-parastatal-strategy>

Zuma takes charge of state-owned entities – but where does this leave Ramaphosa?

Marianne Merten, Daily Maverick, 22 Aug 2016

Monday's official briefing on the Cabinet lekgotla announced that President Jacob Zuma would chair a new presidential state-owned entities (SOE) co-ordinating committee. Expected to be in place by year end, its structure will echo that of the Presidential Infrastructure Co-ordinating Commission which Zuma already chairs. This emerged amid the verbal candyfloss from Minister in the Presidency Jeff Radebe on the four-day government lekgotla which ended on Friday. This decision effectively means Zuma is taking over from his deputy Cyril Ramaphosa, who since December 2014 has chaired the SOE inter-ministerial committee. Is this yet another twist to Cabinet power plays which previously have seen stand-offs with National Treasury?

Like infrastructure, SOEs have long been placed at the heart of government's economic and transformative policies. But many are deeply troubled. SAA under chairwoman Dudu Myeni, who also chairs the Jacob Zuma Foundation, remains technically insolvent without a R5-billion government guarantee that National Treasury in these tough economic times is reluctant to hand over. Previous guarantees dating back years have not returned the national airline to financial health.

There are issues at Denel, embroiled in controversy over a joint venture with a company with links to the Gupta family and its associates. The Spanish locomotive scandal still hangs over the Passenger Rail Agency of South Africa (Prasa).

There are issues with power utility Eskom and its electricity tariffs. There are board and financial woes at the National Energy Corporation of South Africa (Necsa), which missed the deadline for submitting its annual report and financial statements last year.

There is PetroSA's shaky balance sheet and the South African Post Office board and financial troubles, which like other SOEs came under scrutiny in Parliament last year. Never mind the shenanigans at the SABC.

The announcement of the new presidential SOE co-ordinating structure was contained in paragraph 6.5. on page five of the six-page official Iekgotla statement. It would "provide President Zuma line of sight on strategic decisions and interventions to create (SOEs) that play a transformative role in a capable developmental state".

Asked about Ramaphosa's role, and what would happen to the existing inter-ministerial committee on SOEs, Radebe simply said: "There's no question of a vote of no confidence in the deputy president."

Dodging was the order of the day.

According to the Cabinet Iekgotla official statement, government has identified a "set of Budget priorities" for the next financial year to focus on "maintaining infrastructure spend, strengthening support for skills development and maintaining real levels of spending on the poor".

But whether that included a 0% hike in university fees for a second year following #FeesMustFall – and if it did, where the money would come from – was left unanswered aside from a reference to the commission of inquiry currently under way. "We did discuss the issues of higher education. Education is our apex of priorities... At an appropriate time we are sure that we shall know what is happening," said Radebe.

Exactly on what infrastructure money would be spent was also largely left hanging. While the Presidential Infrastructure Co-ordinating Commission presented Cabinet with "a high-level report on the implementation of the national infrastructure development programme", and on "concrete infrastructure implementation plans", no details were shared on Monday.

There was reference to a "broadband war room" – Radebe said the successful roll-out could boost economic growth by 1.4% – and a commitment to finalise government's information and communication technology (ICT) policy. But, as Business Day reported, the communications regulator Icasa and telecommunications department are facing off in court over the regulator's sale of spectrum.

With regards to the 40 priority projects, Radebe listed R11-billion investment by the Industrial Development Corporation (IDC) at Port Elizabeth and R45-billion worth of investments in Limpopo and Mpumalanga by the Energy Department for the independent power producers (IPP) programme.

"When the Department of Trade and Industry distributes it (information on the 40 projects), you can have it and read it at your leisure," he added.

Some of the projects included in the official statement, such as agroparks, have been on government's official agenda for at least two years. Ditto the agreements with water boards and municipalities to stem wastage.

However, Radebe dismissed Eskom having ditched government's official IPP programme by deciding not to sign any such new agreements as recently reported.

"There's no way we can change mid-course," said Radebe, adding: "There's no Russian nuclear deal right now."

Questions remain over Energy Minister Tina Joemat-Pettersson's repeated public statements, including in Parliament, that by 31 March 2016 South Africa would have its strategic partner for nuclear in place. National Treasury has been reluctant to open the purse strings, giving just R200-million towards preparatory work for nuclear procurement. And so Joemat-Pettersson's "deadline" came and went quietly.

Meanwhile, the official long-term policy on South Africa's electricity security and energy mix, the Integrated Resource Plan (IEP), remains six years out of date, according to the Energy Department website. But Radebe said the IEP, alongside the Integrated Energy Plan, would now be finalised by the end of the year "to provide certainty of electricity pricing and investment in generation capacity".

There was a general lack of specificity in Monday's briefing.

Instead, it was about the lekgotla being a "collective reflection" and providing "crucial lessons for a much nuanced and effective implementation" of the National Development Plan (NDP). There were "firm decisions... on concrete actionable plans", a bid to "deepen implementation", "accelerated implementation" and the "adoption of key high-impact projects... which aim to have a substantial positive impact on the economy through unlocking key levers".

Perhaps such fluff is meant to hide Cabinet power plays. And any speculation these may go right to the heart of the ANC jockeying for positions come its 2017 national conference. The Cabinet lekgotla came halfway through Zuma's second, and constitutionally his last, term as head of state. The ANC constitution does not limit terms. The full effect of Zuma taking charge of SOEs from Ramaphosa must, and will, play itself out.

All this will play out in tandem with cajoling within ANC ranks across regions, provinces and nationally. But it is made more complex by a local government election that saw the ANC lose outright control in four of the seven metros it used to control. As the ANC ministers met, DA mayors were elected in the administrative capital of Tshwane and in Nelson Mandela Bay, the Eastern Cape's industrial heartland.

But the four-day Cabinet lekgotla also came amid domestic economic woes. The South African Reserve Bank in July forecast 0% growth and highlighted food inflation at 11%, or almost double the consumer price index. Joblessness remains persistently systemic at just over 26%, or one in three on the expanded definition including those who simply have given up.

Still looming is a possible ratings downgrade, which would push up the cost of borrowings and negatively affect the public purse. Although a downgrade was staved

off earlier this year, analysts continue to cite as concerns domestic low economic growth, uncertainties around policy and commitment to implementation within set time frames, and deep socio-economic challenges such as unemployment and inequality.

Speaking for Cabinet, as he does, Radebe has a commanding platform not only to give a clear signal to citizens that their government is taking their issues seriously, but also to South Africa watchers on the global stage. Perhaps it is Radebe's brief to say as little as possible. Perhaps it's just how Cabinet likes doing it. Regardless, it's a major disservice to just spin verbal candyfloss.

<http://www.dailymaverick.co.za/article/2016-08-22-zuma-takes-charge-of-state-owned-entities-but-where-does-this-leave-ramaphosa/#.V7xGBU3lrIU>

Comment and opinion

Hazard ahead: ANC wounded, Zuma unpredictable, Gordhan targeted

Ranjeni Munusamy, Daily Maverick, 24 Aug 2016

The Hawks' decision to summon Finance Minister Pravin Gordhan and former South African Revenue Service (SARS) officials to their headquarters for warning statements on Thursday can only mean one thing: the onslaught on the National Treasury has resumed. The outcome of the local government elections has signalled that the window of opportunity for President Jacob Zuma, his allies and his friends to have unfettered control of the state is closing. The ANC is disorientated by the results and reeling after the loss of major metros to the opposition. In this scramble for coherence and atmosphere of unpredictability, dangerous and risky actions are possible.

South Africa was very much in a holding pattern during the local government elections period. Politicians were out on the campaign trail and the country was on autopilot. It was also risky to make any controversial moves that might affect voter sentiment. But now that the elections have passed and the councils have all been established, it is back to business. And in this country, back to business in politics means back to scheming, skulduggery and powermongering.

It should be no big surprise that Finance Minister Pravin Gordhan and former SARS officials Ivan Pillay, Johann van Loggerenberg and Pete Richer have been asked to present themselves to the Hawks headquarters in Pretoria on Thursday. Daily Maverick reported on Tuesday that the four would be receiving warning statements from the Hawks, signalling the intention to charge them and inform them of their rights. The charges relate to the operation of a special investigating unit at SARS, established when Gordhan was the commissioner of the revenue service.

With the Hawks scrambling to find a legal basis to charge Gordhan, the motive behind the investigation appears to be political. The intention appears to be to shove Gordhan out of the way so that the Treasury can be commandeered by politically connected individuals. It was the same agenda that motivated the disastrous removal of Nhlanhla Nene from the finance ministry in December, sending the economy into a tailspin. In May, the Hawks denied they were investigating Gordhan in connection with the SARS unit. They were obviously yanked back so as not to cause turbulence before the elections and prompt a backlash from voters.

As it turned out, the backlash came anyway and the ANC experienced its worst performance at the polls. With the damage already done and the stakes now higher, the Hawks appear to have received the go-ahead to pursue the investigation. But the Hawks investigation is not the only attack on Gordhan. News24 reported on Tuesday night that SARS has appointed accounting firm Grant Thornton to conduct a forensic investigation into IT contracts concluded while Gordhan was at the revenue service.

The urgency to launch a full-scale onslaught on Gordhan could be related to another event that has been pending until after the elections – a Cabinet reshuffle. Gordhan's position as finance minister appeared to be safe because of all the reassurances the president provided about the Presidency and National Treasury working together to stabilise and grow the economy. It would also be dicey to remove Gordhan from his post before the international ratings agencies make a decision on South Africa's sovereign ratings in December. So it was expected that there would be a reshuffle, with possibly Mcebisi Jonas removed as deputy finance minister, but that Gordhan would remain finance minister to prevent any further damage to the economy.

But the election results changed the political landscape and sent a strong signal that people's patience with the ANC is running out. This means the window of opportunity to manipulate the levers of the state and drain resources could be limited. Firing Gordhan using the excuse that he is facing criminal charges and therefore cannot serve in such a key Cabinet position would be a way to seize hold of the Treasury and undo the stringent controls it has placed on spending and tender processes.

Who can stop this happening as Cabinet appointments remain presidential prerogative? The ANC has been so shaken by the results and the loss of major metros and former stronghold municipalities that it has not been able to come up with a coherent response to regain its footing. This has provided further opportunity for the president and his allies to manoeuvre quickly both in the organisation and the state.

The first move was by the ANC Youth League (ANCYL) last week to call for an early ANC national conference to reshuffle the leadership deck. They proposed there should be no contestation for positions, suggesting there should be a slate of leaders agreed to beforehand. The ANCYL also wants the size of ANC national executive committee (NEC) to be reduced. This means that the dominant faction in the ANC, the "premier league", can remain in charge and select the next set of officials without contestation. If this happens, the faction aligned to Zuma remains in power and in control of the levers of the state. Zuma would also be safe in his position as head of state until his term ends in 2019.

At a media briefing on Tuesday, ANC secretary-general Gwede Mantashe said the idea of an early conference was "not a bad idea" as long as the intention was to unite the organisation.

"We can't go to a conference because we have done badly and we go fight it out there, smash each other in conference, blood on the floor and we come out of that conference more divided," Mantashe said.

He also repeated the line that the ANC NEC should take "collective responsibility" for the election results, but acknowledged that negative perceptions around the Nkandla

matter had hurt the ANC at the polls. But he said Zuma could not be held responsible.

“You can’t separate the president of an organisation from his organisation. So any negative narrative around the president will actually hurt the organisation. We acknowledge that,” Mantashe said.

Mantashe is by now well aware that the NEC will not take a decision to sanction Zuma. This means that the ANC has to continue to live with the consequences of a disastrous Zuma presidency. It is perhaps this knowledge that makes him amenable to the idea of an early conference, even though it would place a massive logistical burden on his office to arrange the event ahead of time.

With the bulk of the NEC acting as a protection racket around Zuma, it is only the broad membership of the ANC that can overrule the committee. ANC members around the country are furious and disappointed with the elections outcome, and many are feeling the pain of losing council seats in municipalities. Mantashe is not oblivious to this fact and possibly wants to stand back to allow the ANCYL and its backers to have their way, knowing that calling the conference early could seriously backfire on them.

While Mantashe, MPs in Parliament, and elected councillors have to face the public and try to stitch together some coherent messaging about the elections outcome, Zuma has remained behind the scenes. He has not spoken publicly on the election results, the coalitions or the ANC’s losses of the metros. His message to the NEC was that the ANC was still the dominant party and they should not buy into the narrative that they performed badly. This has caused further disorientation when the ANC was trying to come to terms with its losses.

ANC chief whip Jackson Mthembu is one of the few leaders willing to admit: “The losses and setbacks suffered in these elections are self-inflicted”.

Zuma would make no such concession and seems to be impervious to the damage he has caused to his organisation. He appears to be focusing on consolidating his power.

A major development in the past few days was the announcement by Cabinet that a presidential co-ordinating council on state-owned companies would be formed to provide Zuma with “line of sight on strategic decisions and interventions” in the entities. This appeared to give Zuma final say on any actions taken by the inter-ministerial committee chaired by Deputy President Cyril Ramaphosa or the Treasury on the state-owned companies. Attempts by Treasury to rein in South African Airways and Denel have already been thwarted. The new oversight body now provides Zuma with a mechanism to control all interventions from now on.

On Tuesday night, government issued a statement in response to queries about the reforms of the state-owned enterprises. The statement said the presidential co-ordinating council would allow for “better oversight and co-ordination of state-owned companies”.

The election results should have made the ANC more circumspect about its actions and mindful of the fact that political careers are now in danger if their organisation continues to lose ground. There should be more people willing to speak out frankly

about the state of the party. For some reason, the conspiracy of silence prevails and Zuma is left to his own devices.

With the elections over, the damage done and the ANC in a state of semi-paralysis, Zuma is capable of unpredictable actions. On top of all his past actions, he has now escaped accountability for the unprecedented losses the ANC has suffered at the polls. He continues to hold his organisation and the country hostage because he knows that with the present balance of power in the ANC, nothing can be done to him. And until something can be done, South Africa remains in choppy waters.

<http://www.dailymaverick.co.za/article/2016-08-24-hazard-ahead-anc-wounded-zuma-unpredictable-gordhan-targeted/#.V71K6E3IrlU>

What the choice of protector will say of the ANC

Steven Friedman, Business Day, 24 August 2016

WHETHER the ANC is on the road to recovering from its election setback may depend on whether it chooses a public protector who covers up — or one who cleans up.

Since the local elections, the opposition and much commentary has ditched basic arithmetic. It tells us of an all-conquering opposition, although its biggest party is still almost 30 percentage points behind the ANC: it ignores the possibility that, given the level of anger at the ANC, the two largest opposition parties' performance does more to show their limits than their potential.

The story of the election was not the triumph of the opposition, but the ANC's failure to hold on to its voters. Which means the story of the next election is whether it can persuade them to return. And that depends on whether it tackles the concerns that persuaded them to not support it.

While we need to know more about why so many voters in rural provinces did not vote ANC, it is safe to insist that its losses were due not to the attractions of other parties, or its failure to "deliver services", but a breakdown in trust between its leadership and many of its voters. A key reason was a widespread sense that ANC politicians are more interested in getting their hands on money than representing voters.

One of the great myths exposed in this election is that corruption is a middle-class hang-up: grassroots voters are probably more concerned about it because they pay the highest price for it. So, the ANC will not win back support unless it can convince voters it is tackling corruption.

This is where the choice of public protector comes in. The shortlist contains independent and promising candidates who want to clean up corruption, but it also includes at least one whose appointment would be widely seen, with reason, as an attempt to cover it up. Which sort of candidate is appointed will signal who is calling the shots in the ANC in the wake of the local elections — those who want to listen to voters' concerns or those who want to sweep them under the carpet so that patronage can continue.

For the second faction, the fact that corruption concerns turned many off the ANC may be a good reason to choose someone who will turn a blind eye to misuse of public money: if public corruption exposés are the reason people are disillusioned, the solution is surely to make sure that the office of the public protector does not expose graft.

This misreads the problem and the solution. The public protector's office only investigates when it is asked to do this by citizens. So it does not expose corruption — it investigates it if people already fear something fishy is happening. Since people who can get complaints to the protector's office are also likely to get them to the media, the allegations will be aired in public whether or not the protector does anything about them.

Placing a puppet in the protector's office may save politicians and officials from paying for their misdeeds but it does nothing to solve the ANC's problem because it cannot keep corruption claims out of the public eye.

It also assumes, wrongly, that grassroots voters take their lead on corruption from the public protector. Evidence that they have their own information and make up their own minds is the ANC's loss of Nkandla to the IFP before the protector began investigating complaints about spending there. So not only do grassroots voters care about misuse of public money, they do not need the protector's office to tell them it is happening.

The only way the ANC can persuade its estranged voters that they can trust it again is to show that it really is cleaning up corruption. Choosing a compliant public protector would tell these voters that it is not interested in hearing them and may convince others that they too should no longer support it.

And it will deprive the governing party of a key instrument it needs if it wants to win back support by cleaning up government.

For the ANC, the most important lesson of the local elections is that using government to shut down voter concerns costs support at the polls. Either the next public protector will be clearly independent and committed to cleaning up government, or the government the next incumbent is expected to cover up for may no longer be the sole preserve of the ANC.

• *Friedman is director of the University of Johannesburg's Centre for the Study of Democracy*

<http://www.bdlive.co.za/opinion/columnists/2016/08/24/what-the-choice-of-protector-will-say-of-the-anc>
