



# **Numsa Media Monitor**

**Monday 29 August 2016**

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

## **Numsa/Fawu**

### **Numsa lauds Fawu decision to leave Cosatu**

*TimesLive, 27 August, 2016*

The National Union of Metalworkers of South Africa (Numsa) has congratulated the Food and Allied Workers Union (Fawu) on its historic decision, taken at its 75th national congress at Bela Bela on Wednesday, to disaffiliate from the Congress of South African Trade Unions (Cosatu).

Numsa also welcomed the assurance by Fawu general-secretary Katishi Masemola that “the decision taken is irreversible, [and] it will be undergoing implementation as of now”.

Fawu has consistently fought against Cosatu’s expulsion of Numsa and the dismissal of Zwelinzima Vavi. Numsa praised Fawu’s bold attempts at the two Cosatu Congresses in 2015 to reverse those actions.

Fawu has also played a leading role in the Steering Committee for a new independent, and militant workers’ federation and Numsa is confident that Fawu will continue to work with the other unions in driving this project forward, said acting Numsa spokesman Patrick Craven.

“Fawu has also set an example by insisting that all the union’s members were fully consulted before this week’s decision was taken. This should set a precedent for the new federation and all its affiliates to abide by the decision of the 20 April Workers Summit that the new structure must be democratically built from the bottom-up by the workers, who must remain in full control, with leaders who are mandated by and answerable to the membership at all times.

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“The New Federation must reject the road taken by the Cosatu leadership of watering down its programme in order not to be seen as ‘oppositionist’ or ‘anti-majoritarian’ and ends up as no more than an irrelevant labour-desk for the ANC government,” Craven stated. “It will be independent of any political party but not apolitical - free to campaign for any party which shares our commitment to the full implementation of the Freedom Charter and the socialist policies to liberate workers from the tyranny of white monopoly capitalism,” Craven added.

<http://www.timeslive.co.za/politics/2016/08/27/Numsa-lauds-Fawu-decision-to-leave-Cosatu>

### **Fawu and Cosatu set for tug of war over supporters**

*Theto Mahlakoana, Sunday Independent, 28 August 2016*

Johannesburg - Cosatu and one of its founding unions, the Food and Allied Workers Union (Fawu), will soon be entangled in a war over members on shop-floors in several sectors across the country.

Fawu members resolved to disaffiliate from the trade union federation at a congress this week, setting Cosatu off on a mission to create a “warm home” for the union’s members who want to remain in its fold.

The offer made by Cosatu after its central executive committee (CEC) meeting this week has angered Fawu leaders. They claim the federation is launching a Fawu spin-off, which was set in motion months ago.

“We view it as a threat, and the congress was very clear that when we leave Cosatu it will not be an easy thing, there will be an equivalent of Limusa called LiFawu or something like that.

“So when they refer to a warm home for workers, it simply means that.

“We have a responsibility to inform our members about this congress decision and defend Fawu from being attacked by this new home that Cosatu may set up,” said Fawu general secretary, Katishi Masemola.

But Cosatu general secretary Bheki Ntshalintshali has denied a new affiliate is being formed.

“We did not discuss forming another union. “The broad principle in the CEC was that Fawu members must find a warm home in Cosatu.

“It would not be necessary to form another union because Fawu members would be able to join other Cosatu unions.”

Fawu’s exit from Cosatu is the climax of a two-year struggle between the two, with the union resorting to a boycott of constitutional meetings in protest against the National Union of Metalworkers of SA’s (Numsa) expulsion.

The loss of Fawu will hurt Cosatu which is still reeling from the vacuum left behind by Numsa. Its replacement, Limusa, is struggling to penetrate the steel sector. Fawu members said the trade union federation had abandoned their issues as workers, and lost its might as a militant and campaign-driven organisation.

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But Cosatu dismissed this claim. It says it gave the union R800â€000 in legal fees to deal with the SAB merger as an example of its support. This was despite Fawu owing the federation millions of rand in affiliation fees alone.

Cosatu is upping its recruitment drive and will go to sectors where Fawu is organising vulnerable workers. The federation said it needed to ensure space was created for workers as the union had “polarising leadership” who had pushed for the disaffiliation for “narrow political reasons”.

“These Fawu leaders will go down in history as the ones who split the union,” Ntshalintshali said.

Numsa has entered the fray, saying Cosatu leaders had no one else to blame for the move which will likely harm some of the worst exploited workers in the country.

General secretary Irvin Jim applauded Fawu, saying they will now focus on building a new federation for workers who want independence from political affiliation.

“The current leadership of Cosatu is directly responsible for that because for them it was about defence of a political party which is basically dying - the ANC.”

While public spats between Numsa and Cosatu seemed to have died down recently, they could clash again after Cosatu announced it would recoup monies owed to it by Numsa and Fawu.

Jim said Cosatu should “dream on”.

He added: “It is criminal for Cosatu to try to look for any money. We will obviously oppose that. They have no grounds to demand a cent from us.”

Masemola said Fawu would consult its lawyers on whether it should pay the R5 million subscription fees’ bill.

Cosatu’s financial standing is bound to worsen, with mass retrenchments in several industries and as the majority of workers reject trade unions. The federation had already pleaded its case of financial strain to affiliates at its last congress. The Cosatu constitution warns of this and the other effects of disaffiliation, which included the possibility of mass resignation by union members.

At a time when workers face uncertainty as the economy struggles to recover from a plunge brought on by global pressures and the massive decline in key industries such as mining, the conflict between Cosatu and its former unions can only harm workers.

All parties involved in the myriad disputes which seem to have accumulated in the labour movement since 2012 agreed that worker unity was the biggest tool in their hands.

<http://www.iol.co.za/business/news/fawu-and-cosatu-set-for-tug-of-war-over-supporters-2061821>

**Fawu to inform Cosatu of its disaffiliation by Monday**

*Karl Gernetzky, Business Day, 26 August 2016*

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THE Food and Allied Workers Union (Fawu) said on Friday it would inform Cosatu of its disaffiliation by Monday at the latest, while taking legal advice on the issue of millions of rand in outstanding affiliate fees.

The affiliate that organises across SA's agricultural sector concluded its national congress in Limpopo on Friday, focusing largely on tripartite alliance politics.

Fawu general-secretary Katishi Mashemola said on Friday that deliberations on the exit from Cosatu had taken up the bulk of the four-day conference.

The conclusion of deliberations on issues facing workers in the agricultural sector would be deferred to the next national executive committee meeting. The notice of disaffiliation would be given by the latest on Monday, he said.

Fawu is also to seek legal advice on money owed to labour federation Cosatu. The union did not dispute the amount, but there were a number of issues requiring legal advice. "If our lawyers say we must pay, we will pay," he said.

Cosatu on Thursday said Fawu had not paid affiliate fees to the federation for more than nine months — about R5m — and that the federation had gone further in supporting the union financially.

Cosatu president Sdumo Dlamini said on Thursday Fawu had given every indication it wanted to be expelled by Cosatu, including boycotting meetings in 2014.

"We are not surprised by the decision, but we are currently planning to meet ... many Fawu members, including provincial structures that have made it clear to the federation that they are not leaving the federation. The reality is that Fawu is a victim of a polarising leadership that has worked hard to split an already weakened union for their narrow political reasons," Cosatu said.

Fawu — along with eight other unions — had opposed the 2015 expulsion of the National Union of Metalworkers of SA (Numsa) and had widely been expected to join a still forming alternative federation.

"The decision to leave Cosatu is now done and dusted. The congress further said in the wake of such a decision we need to work with other unions, including (Numsa) and independent unions, and work towards launching a new federation," Masemola said.

<http://www.bdlive.co.za/national/labour/2016/08/26/fawu-to-inform-cosatu-of-its-disaffiliation-by-monday>

### **Fawu owes us R5m - Cosatu**

*Lizeka Tandwa, News24, 26 Aug 2016*

Johannesburg - Cosatu plans to recoup over R5m in affiliation fees from its former member, the Food and Allied Workers Union (Fawu) .

"The central executive committee noted that Fawu's leadership have succeeded to push for the union's disaffiliation with Cosatu and join a non-existent federation," Congress of SA Trade Unions general secretary Bheki Ntshalintshali told journalists on Thursday.

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He was briefing media on its central executive committee meeting, which ended on Wednesday.

“We are not surprised by the decision, but we are planning to meet with many Fawu members, including provincial structures, that have made it clear they are not leaving the federation,” he said.

The union broke ranks with the federation this week, to join former Cosatu general secretary Zwelinzima Vavi's new labour federation.

Ntshalintshali said Fawu had only paid the federation its fee to be part of its national congress in November 2015. He said Fawu owed it money from its May Day event and election campaigns.

He said Cosatu had spent almost R1m “helping them in a major case”, Ntshalintshali said.

"If you ask if we can survive, Fawu has not paid since the last congress. They only paid to come to the congress to be in good standing. Since then, they have not paid, but the federation has been able to proceed. The money that is owed is R5m."

In terms of Cosatu's constitution, they were allowed to recoup the money.

Ntshalintshali said they had been patient with Fawu and tolerated its decision to boycott Cosatu meetings.

“We did this for workers, because more than one million farm workers are vulnerable and are crying for a united and stronger union that will focus its energies on defending them from exploitation.”

Fawu general secretary Katishi Masemola confirmed they owed Cosatu affiliation fees.

“We have not paid for some time. As to whether we are about to pay these fees now that we decided to disaffiliate, we plan to take legal advice. If we are advised to pay, we will pay,” Masemola told News24.

<http://www.news24.com/SouthAfrica/News/fawu-owes-us-r5m-cosatu-20160826>

### **South African workers**

#### **NUM founder calls for NGC to discuss ANC election performance**

*Angela Bolwana, SABC, 27 August 2016*

James Motlatsi says the ANC should call an early national elective conference.(SABC)

The founding president of the National Union of Mineworkers (NUM), James Motlatsi, has called on the union to push for a national general council to discuss the ANC's dismal performance in the Local Government Elections.

He was speaking at the union's awards presentation ceremony in Johannesburg on Friday night.

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Motlatsi, who was given a lifetime achievement award by the union, says the ANC should call an early national elective conference.

“My suggestion to you NUM leaders is for you to go to Cosatu and say call a special general council which will discuss few items to say why did we perform badly,” adds Motlatsi.

Motlatsi, who has also advised the union to seek the resignation of some individuals, says he knows he might be called names for doing so.

“Very soon if it goes out of this I will be told I am a counter revolutionary ... that's our language. If not, I will be told its cold outside the leadership of the ANC. If they can't say that they will say he is amongst the clever blacks, all these pronouncements are divisive,” says Motlatsi.

<http://www.sabc.co.za/news/a/9118fe004e03aeb486ceb75173dc1eac/NUM-founder-calls-for-NGC-to-discuss-ANC-election-performance-20160827>

### **Rabie in jobs for pals probe**

*Gareth Wilson, HeraldLive, 27 August 2016*

Popcru triggers investigation following complaints by officers of unfair promotions

An internal police probe into allegations of “jobs for pals” favouritism linked to promotions within the Port Elizabeth office of suspended top cop Major-General Dawie Rabie is under way.

The investigation comes after the Police and Prisons Civil Rights Union (Popcru) sent a letter to newly appointed Eastern Cape police commissioner Lieutenant-General Liziwe Ntshinga requesting a probe into allegations of several officers being unfairly overlooked for promotion.

It is claimed that widespread unhappiness over the alleged “jobs for pals” is having serious repercussions on service delivery because of disillusionment and a resultant lack of motivation.

The letter, which was sent earlier this month, states that officials working within Rabie's cluster office – which they describe as his “clique” – received preference with promotions while more experienced officials were not even shortlisted for posts.

Ntshinga's office confirmed that an internal probe into the allegations had been initiated to determine if there was any truth to the claims.

Rabie remains suspended while the Independent Police Investigative Directorate probe of allegations against him of domestic violence continues.

This is in addition to an internal investigation of alleged misconduct by Rabie – all of which stem from an incident at his house in Summerstrand early last month.

Rabie allegedly changed the locks on the doors of his home and locked his family out in freezing weather, and there are also allegations of interference in the criminal probe.

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<http://www.heraldive.co.za/news/2016/08/27/166964/>

## **AMCU march at eMba/Charlie 1 Road**

*Ridge View, 25 Aug 2016*

AMCU is demanding R12 500 and Sasol Mining apparently offered 7 per cent for the present and 5 per cent in January.

HIGHVELD – Members of the Association of Mineworkers and Construction Union (AMCU) from Sasol Mining are picketing at the eMba/Charlie 1 Road.

This came after the union and Sasol Mining did not meet common ground over wages.

AMCU is demanding R12 500 and Sasol Mining apparently offered 7 per cent for the present and 5 per cent in January.

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

He said they will hand over the memorandum at Sasol Rosebank headquarters some time next week.

“This is a peaceful march, we are fighting for a better wage.

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

<http://ridgetimes.co.za/71426/amcu-march-at-embacharlie-1-road/>

## **South Africa**

### **NPA to charge Pravin**

*Abram Mashego, City Press, 28 Aug 2016*

More than 30 witnesses have been lined up to testify against Finance Minister Pravin Gordhan and three former SA Revenue Service (Sars) officials who may be charged as early as this week.

The witnesses include ANC donor Jen-Chih “Robert” Huang, a former business partner of Jacob Zuma’s nephew Khulubuse, who had his assets frozen two years ago over a R541 million tax claim.

The case against Gordhan, former Sars commissioner Ivan Pillay, former Sars high-risk investigations unit (HRIU) head Johann van Loggerenberg and former Sars commissioner Oupa Magashula is now in the hands of National Director of Public Prosecutions Shaun Abrahams after the Hawks concluded its investigation on Thursday afternoon.

Gordhan faces a charge of corruption for granting Pillay early retirement and later extending his contract. His former colleagues will be charged with fraud and illegal spying.

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On Friday, the Hawks delivered the case docket to the National Prosecuting Authority (NPA) headquarters in Silverton, Pretoria, for Abrahams to handle personally.

Although NPA spokesperson Luvuyo Mfaku denied a decision to charge Gordhan and the others had been taken, City Press has learnt from four senior sources within the NPA, the Hawks and Sars, that they would “definitely” be criminally charged.

“Ntlemeza was furious that Gordhan refused to present himself at the Hawks’ offices and asked Abrahams to fast track the case”

A highly placed Hawks source said: “Our team finished their work on Thursday and the understanding was that the NPA should serve them with summonses to appear in court to be formally charged. Several statements have been obtained as guided by the NPA and the matter will be dealt with speedily.”

A senior source at the NPA said the summonses would be served no later than two weeks’ time.

City Press has established that Abrahams personally took over the prosecutorial management of the case shortly after his appointment in July last year.

“He kept all the lever-arch files and exhibits in his office. Not many people are allowed to peruse the files,” said another prosecutor based at the NPA head office.

However, Mfaku said yesterday that a decision to charge Gordhan and the others was yet to be taken.

“We confirm receipt of the docket relating to the Sars rogue unit matter. The NPA received the docket on August 26. The NPA has not taken any decision to prosecute any person(s),” he said.

Mfaku said prosecutors would now analyse and evaluate the evidence contained in the docket: “If there is no outstanding investigation, a decision will be made whether or not to prosecute any person(s) in relation to the matter.”

Hawks spokesperson Brigadier Hangwani Mulaudzi declined to comment.

Gordhan’s spokesperson, Phumza Macanda, could not be reached for comment.

In a four-page letter sent to the Hawks this week, Gordhan’s lawyer, Tebogo Malatji, said Sars’ investigation unit was legal and no law was broken when it was created, and the Hawks’ interpretation of the law in this regard was incorrect.

“The minister ... believed in good faith that the unit was perfectly lawful. So did his successors and all the other state agencies with whom the unit interacted for many years,” the letter states.

Malatji said the Hawks’ claim that Gordhan’s granting of early retirement and subsequent reappointment of Pillay contravened the Prevention and Combating of Corrupt Activities Act and the Public Finance Management Act was “unfounded”.

“There has never been any suggestion that the minister approved the commissioner’s proposal that Mr Pillay be allowed to take early retirement and be

reappointed to persuade him to act unlawfully in any way. The minister believed in good faith that the transaction was entirely lawful,” he wrote.

Pillay and Van Loggerenberg declined to comment.

City Press has learnt that on Thursday, Pillay, Van Loggerenberg and Magashula were informed that they were officially regarded as suspects and questioned at the Hawks’ regional offices in Pretoria in the presence of their lawyers. The questions concerned the alleged illegality of the Sars intelligence unit, Pillay’s early retirement and Project Sunday Evenings.

The Hawks gave them until September 5 to provide comprehensive answers to the questions based on the findings of the Sikhakhane Panel of Inquiry and the discredited KPMG report that followed it.

City Press has learnt that Hawks head Major General Mthandazo Ntlemeza was furious that Gordhan refused to present himself at the Hawks’ offices and asked Abrahams to fast-track the case.

“[Ntlemeza] feels that Gordhan is behaving like he is above the law,” said a senior Hawks officer.

The 30 witnesses also include former and current Sars employees and high-profile businesspeople.

A Hawks official close to the investigation said: “One of them is Huang, who complained that they [the Sars intelligence unit] targeted him and were spying on him. He also told Pillay’s successor, Tom Moyane, that Pillay and the unit spied on him and wanted to take him out of business.”

Huang donated 18 500 ANC T-shirts during the 2014 general election, which Sars confiscated because no customs duty had been paid on them.

Huang could not be reached for comment.

A senior Hawks officer and a source close to Pillay said former Sars HRIU member Helgard Lombard, who installed the “spy devices” at NPA headquarters for Project Sunday Evenings, has turned state witness in exchange for immunity from prosecution.

“He has already made a damning statement to the police and is considered to be their star witness,” said the Hawks officer.

In May this year, City Press reported that the police docket containing the case against Gordhan and his former colleagues had been transferred to the crime intelligence unit after other arms of the police “were not making sufficient progress”.

The docket history listed in the police’s own case management system revealed that the case was closed in December last year, but was suddenly reopened in the last week of May.

**PROJECT SUNDAY EVENINGS**

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Lombard was paid R1.15 million by senior Prosecutor Gerrie Nel to install covert and concealed cameras with digital video recorders and microphones, which could be activated remotely through a cellphone. Prosecutors were able to view the NPA offices through remote-viewing software.

According to several sources within the NPA, Nel was worried about the leakage and theft of documents obtained during the corruption investigation into former national police commissioner Jackie Selebi in 2006.

However, documents obtained by City Press allege that the equipment was later used to spy on NPA officials on Sunday evenings. These recordings would be downloaded and passed to Pillay.

According to a case progress report sent to Intelligence Minister David Mahlobo in January, Lombard is alleged to have implicated former president Thabo Mbeki, former finance minister Trevor Manuel, Gordhan and Pillay as having been aware of the illegal bugging.

This, the report alleged, was because Mbeki wanted to know who else the now disbanded Scorpions were investigating. At the time, Nel was the Gauteng head of the elite unit.

In the report, sent from Ntsemeza's office, Ntsemeza states that Sars commissioner Tom Moyane "opened a case of corruption, fraud and contravention of the Regulation of Interception of Communications and Provision of Communication-Related Act."

<http://city-press.news24.com/News/npa-to-charge-pravin-20160828-2>

### **Push against Pravin Gordhan is move on Treasury, says SACP**

*Natasha Marrian, Business Day, 29 August 2016*

THE rift in the ANC-led alliance deepened on Sunday as the South African Communist Party (SACP) suggested that President Jacob Zuma wielded too much power in the Cabinet and in the ANC's national executive committee, and that Finance Minister Pravin Gordhan was being hounded to weaken the National Treasury's battle against corruption and the capture of the state.

The SACP called on the ANC to convene a consultative national conference to discuss its problems and ensure a smooth leadership transition, saying it would not be silenced by threats to remove its ministers from the Cabinet.

This capped a week of high drama during which Gordhan refused to acquiesce to a Hawks request that he provide the unit with a warning statement — or face possible arrest — and Zuma's benefactors, the Gupta family, announced that they were selling all their shareholding in SA.

The ANC Youth League last week called for an early national elective conference.

ANC alliance partner Cosatu said the governing party was riven by factions and it had been captured by "looters, criminals, flatterers, patrons, factionalists and hangers-on".

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Another alliance member, the South African National Civic Organisation, called at the weekend for the ANC to "sober up" and deal decisively with its "arrogance and corruption".

SACP general secretary Blade Nzimande said after a meeting of the organisation's central committee on Sunday that "serious corrective action" had to be taken to make sure the decline in the ANC's share of the vote did not accelerate in the next election.

He said there was a "prevailing view" in the SACP that the ANC had lost its moral compass.

Members of the SACP are under fire from the dominant faction in the ANC — the chairmen of the party in the North West, Mpumalanga, Free State and KwaZulu-Natal — and are likely to face the chop in Zuma's next Cabinet reshuffle.

Nzimande tacitly challenged Zuma to remove SACP Cabinet ministers. "Don't hang Cabinet positions over our heads to make us keep quiet ... they will never find us doing that," he said.

SACP deputy general secretary Jeremy Cronin said that while the ANC leadership was right to take collective responsibility for the party's poor showing in the elections, it was also necessary to take individual responsibility. There was a collective system of leadership in SA — through the Cabinet, the government and the ANC's leadership, but no presidential arrangement.

"It is hard to take collective responsibility when there are tendencies towards presidentialism," he said, adding that this was a legacy of SA's "larger than life" first democratic president Nelson Mandela.

The president should not be seen as the "salvation" of the nation or the result of its downfall, Cronin added.

The SACP called on the ANC to convene a consultative national conference during which it should discuss its problems and a leadership transition.

Nzimande warned that an early elective conference, that he said had been proposed in a "factional way" by the ANC Youth League, would deepen the disunity in the party and accelerate its decline. "The winners will inherit a shell organisation," he said. "Those making the call are not even bothering to disguise their factional intentions."

Nzimande said the party was sceptical about the Guptas' decision to sell all their shares in South African companies.

The family issued a statement on Friday, saying they were in discussions with several prospective buyers and would soon make further pronouncements. They said they believed this was in the best interests of their business, "the country and our colleagues".

Nzimande said the announcement came as the family was under increased scrutiny from the Treasury, the Reserve Bank and the Financial Intelligence Centre.

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It also came as the International Automatic Exchange of Information agreement, which will make tax evasion through illicit flows into foreign bank accounts easier to uncover, takes effect.

"The (agreement) will provide the authorities with much greater insight into the foreign bank accounts of South African residents," Nzimande said.

He said there was a strong possibility the family would sell their South African interests to "themselves" through their foreign-domiciled operations, and he urged the Financial Intelligence Centre and the Reserve Bank to ensure full compliance with the law.

The SACP threw its support behind Gordhan, saying the Hawks investigation against him bore an "eerie similarity" to the attempt to prosecute Zuma for corruption before he became ANC president in 2009. The only motive for targeting Gordhan, the SACP said, was to capture the Treasury.

Nzimande said "judicial processes are being used and abused for political ends". He said, like any reputable tax agency the world over, the South African Revenue Service (SARS) needed a financial intelligence capacity. This has been characterised as a "rogue unit" by the Hawks.

"The real question is what did the so-called rogue unit at SARS uncover that has made some forces so desperate to dismantle effective capacity at SARS, even dismantling SA's economic wellbeing in the process," Nzimande said.

He alleged that the tobacco industry and those acting in collusion with it were among people seeking to destroy the unit and Gordhan's reputation, as SARS had a major focus on the industry.

<http://www.bdlive.co.za/national/2016/08/29/push-against-pravin-gordhan-is-move-on-treasury-says-sacp>

### **SACP: Stop factionalism or kiss the movement goodbye**

*Greg Nicolson, Daily Maverick, 28 Aug 2016*

The South African Communist Party on Sunday expressed grave concern over the future of the ANC-led Alliance, saying the ruling party must tackle factionalism or risk the future of party and country. Its answer: The ANC needs to hold a non-elective consultative conference, like the Morogoro conference of 1969, with leaders of society who can be trusted.

SACP Secretary-General Blade Nzimande said the ANC Youth League's call for the party to hold an early national elective conference was "entirely factional" and would hasten the decline of the ANC. Instead, the SACP recommended a non-elective consultative conference be held in advance of an elective congress in December 2017.

Nzimande was speaking in Ekurhuleni on Sunday following a meeting of the SACP's congress central committee (CCC). The party reflected on the ANC's loss of support in the local government elections, alliance factionalism, and the Hawks' investigation into Finance Minister Pravin Gordhan.

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“I think it’s time we say, ‘Let’s grow up and outgrow factionalism,’” said Nzimande. “It feels like we are 10 years ago once again,” he said, referring to the battle between then-president Thabo Mbeki and his deputy Jacob Zuma. “We can’t just be going through this all the time. A way must be found.”

The SACP said an ANC non-elective conference should aim at unifying the party and alliance and reflect on individual and collective mistakes. Implying that the communists don’t trust ANC leaders to organise a fair event, they suggested all provinces should send an equal number of delegates to avoid accreditation disputes, and said alliance partners, veterans of the movement and “other progressive forces” such as the South African Council of Churches should play a role.

“Agreement should be reached, if possible, on the transition to a new leadership, and, at the very least, mechanisms to ensure that the December 2017 conference will not be characterised by a shoot-out between winner-takes-all mutually exclusive slates. Regardless of the winning slate, such an outcome will simply accelerate the decline of the ANC,” said the CCC statement regarding factionalism.

The winner would inherit an empty shell, said Nzimande:

“I can tell you if we can’t find an answer to it we can kiss our movement goodbye.”

The SACP also condemned the “politically motivated harassment” of Finance Minister Pravin Gordhan, calling the Hawks’ investigation into the SARS investigative unit established under his watch a “flimsy concoction without the slightest basis in law”.

Nzimande noted the Hawks claim earlier this year that Gordhan wasn’t a suspect, only to turn around and look to charging him immediately after the local government elections.

“The current harassment of Comrade Gordhan bears an uncanny resemblance to those events,” the party noted on the similarities between the case against Gordhan and that against Zuma as deputy president, “where judicial processes are used and abused for political ends.

“If they’ve got something against the minister of finance they must handle it in a more forthright manner,” said Nzimande.

While there have been calls for Zuma to intervene either through speaking to the Hawks and Gordhan or taking action against Hawks leaders, Nzimande did not offer a solution on how the case should be handled.

The SACP said the Hawks’ investigation was a pretext to removing Gordhan, something the minister has reportedly told Treasury staffers, to weaken his office’s fight against corruption and state capture. The SACP asked what the SARS unit had uncovered that has led to desperate attempts to incapacitate the organisation.

While tax records are confidential, it noted reports that the SARS investigation involved the cigarette industry and tobacco player Carnilinx, owned by Italian Adriano Mazzotti.

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Mazzotti donated money for the EFF's Independent Electoral Commission registration fees in 2014, which suggested he had ties to ANC Youth League members before Julius Malema was expelled from the ANC, the SACP suggested. He has said he is being investigated by SARS. The party was reluctant to say it, but its focus on Mazzotti suggests it believes he could be linked to someone either senior or close to ANC leaders who would benefit from SARS desisting such investigations.

"The elections should be a wake up call," said Nzimande on the ANC.

The SACP statement added:

"Growing numbers of South Africans are tired of being taken for granted. They believe that ANC formal structures are increasingly inward-looking, pre-occupied with factional battles and money politics. They believe that the conduct of ANC politicians is often arrogant and aloof."

Putting Zuma forward in the election campaign played into opposition strategies, it added, allowing opposition parties to focus on national ANC leadership rather than local government policy.

The ANC's national executive committee has taken collective responsibility for the loss in electoral support and noted what it believes it needs to change. The SACP said while the ANC acknowledged the challenges – the growing distance from communities, gate-keeping, factionalism, state-based campaigning, winner-takes-all results, personality and money politics – they've heard it all before.

"If we are to be honest, the jury is out as to whether there is the internal capacity to carry forward such a revitalisation," said the SACP. That's probably why the party recommended that the ANC hold a "consultative conference" in the tradition of the 1969 ANC Morogoro conference, held during one of the most troubling times for the liberation movement, the ANC and its allies.

The SACP said it wasn't its place to say whether Zuma should resign in the wake of the election results. But amid reports that communist ministers could lose their posts in Cabinet, it questioned the president's prerogative to make such decisions.

"The [ANC] NEC must develop a collective consciousness to arrive at collective decisions," said SACP Deputy General Secretary Jeremy Cronin.

It was a clear call to challenge factionalism and what's seen as Zuma's biased use of power. If there was any doubt as to who the SACP were challenging, Second Deputy General Secretary Solly Mapaila ended the press conference by questioning why ANC leaders continuously condemned factionalism but haven't warned a widely reported prominent ANC faction: The Premier League.

<http://www.dailymaverick.co.za/article/2016-08-28-sACP-stop-factionalism-or-kiss-the-movement-goodbye/#.V8Py903lrIU>

**ANC could take action over Prasa boss's bribes claims**

*TimesLive, 26 August, 2016*

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The African National Congress (ANC) on Friday moved quickly to deny allegations that it was implicated in bribes involving the Passenger Rail Agency of South Africa (Prasa).

In just over an hour after News24 published an article headlined “ANC implicated in Prasa bribes”, the party’s Zizi Kodwa said that the report alleged that “a series of payments were purportedly made to the ANC by a company awarded the contract to supply locomotives to the rail agency”.

“The ANC has not received any such funds from the companies concerned and condemns in the harshest possible terms rumour-mongering and the use of the name of the organisation between individuals in their personal deals with no mandate from the party,” said Kodwa.

“The ANC appreciates that the matter is before the courts and will attentively watch the outcomes of this process. We reserve our rights to take action against those who impugn the reputation and integrity of the ANC.”

The News24 article said Prasa chairperson Popo Molefe had, in court papers, alleged “that the supplier of Prasa’s controversial Afro 4000 locomotives paid R80-million to ‘entities who were not creditors’ of the company after an Angolan businesswoman had insisted that 10% of the tender’s value be paid to the ANC”.

It also quoted a Rapport report earlier this year that said “the businesswoman in question, Maria Gomes, admitted that she was a friend of President Jacob Zuma and that Zuma had on more than one occasion visited her at her home in Sandton”.

Molefe’s claims, the News24 report said, were contained in a “replying affidavit in response to an earlier answering affidavit by Swifambo Rail Leasing, which won the tender in 2012, in support of Prasa’s bid to have the R3.5-billion contract set aside”.

Earlier this week, TMG Digital reported that Transport Minister Dipuo Peters had written to Molefe over his concerns that the R80-million paid to a law firm to probe irregularities and wasteful expenditure at Prasa could be itself be considered “irregular expenditure”.

<http://www.timeslive.co.za/politics/2016/08/26/ANC-could-take-action-over-Prasa-boss%E2%80%99s-bribes-claims>

### **Who told minister to scupper Prasa fraud probe?**

*Andiswa Maqutu, Business Day, 29 August 2016*

A FRESH storm lies ahead for the Passenger Rail Agency of SA (Prasa), which is only months into procuring construction work to modernise rail infrastructure in time for the arrival of 600 new trains purchased in a R51bn deal.

Prasa board chairman Popo Molefe and Transport Minister Dipuo Peters appear to be at loggerheads over how to handle allegations of tender fraud and claims that the ANC was a key beneficiary of irregular transactions. With yet more billions due to go into infrastructure upgrades, the stakes are high.

Peters has struggled to bring stability at Prasa, whose administration and board she has described as being “in shambles and disarray”.

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The fallout comes at a critical time for Prasa, which has just begun modernising its urban Metrorail commuter service.

Prasa will spend R172bn over the next 10 years to upgrade railways and stations for the trains bought from Gibela Rail Transport Consortium. At least four of the first train deliveries are now at Prasa's depot in Pretoria, with commercial service due to begin in October. Prasa is already issuing tenders for construction work.

Molefe wants to proceed with a forensic probe to get to the bottom of tainted deals he believes were concluded under former CEO Lucky Montana. Peters wants the probe stopped, saying the R80m spent on the investigation could be regarded as "irregular expenditure".

Prasa's forensic investigation into contracts was initiated following a public protector's report, released in August 2015, which revealed that the agency had improperly extended tenders, contravening its supply-chain management policy, the Public Finance Management Act and the Constitution.

Public Protector Thuli Madonsela recommended that the Treasury commission a forensic investigation into contracts more than R10m.

Yet on Friday, days after media reports revealed Peters had instructed the Prasa board to halt the tender investigation, Molefe filed papers in the High Court in Johannesburg, alleging that payments had been made to the ANC by Swifambo Rail Leasing, the empowerment group that won a bid to supply Prasa with 70 locomotives from Spanish manufacturer Vossloh España in 2013.

The R3.5bn contract, which ballooned to R5bn due to a lack of currency hedging, has been mired in controversy and media reports that the locomotives were "too tall" for SA's rail lines.

In 2015, Prasa filed an application in the high court to have the contract set aside on the grounds that it was awarded improperly and that the locomotives were not suitable for SA rail lines.

Molefe said last week that the investigation would not stop as it was commissioned by the protector and that the minister's attempt to stymie it was in contravention of the Constitution.

Molefe says in his court papers that Swifambo director Auswell Mashaba confessed to him that he had paid money into a number of accounts to "benefit the movement" of the ANC.

Molefe says he was approached by Mashaba who was concerned that the investigation into the Swifambo contract would affect his other businesses.

Mashaba reportedly told Molefe that he was approached by Makhensa Mabunda, founder of the Siyaya Group and also a former government official, who told him about the tender to supply locomotives to Prasa and that he was friends with Montana.

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Siyaya Group is a holding company involved in rail projects and its subsidiary, Siyaya DB, has contracts connected with Prasa's rail signalling upgrade, valued at more than R7bn.

Madonsela said in her report that there was no evidence of a friendship between Mabunda and Montana or that contracts were awarded to the former on the basis of friendship.

Prasa launched an investigation in 2015 into the relationship between Swifambo and Siyaya DB.

In his court papers, Molefe says Mashaba confessed to not knowing anything about locomotives. Swifambo was formed four months before the tender was awarded in 2012.

Through his relationship with Mabunda, Mashaba was introduced to Maria Gomes, a friend of President Jacob Zuma's and director of a company called Similex. "Ms Gomes also told him (Mashaba) that she knew the bid to supply locomotives to Prasa was worth billions and she could not understand why 10% of the value of the bid could not be paid to the ANC," Molefe says in the court papers.

After Prasa had made payments to Swifambo, Gomes instructed Mashaba to pay money into specified accounts without knowing the purpose or beneficiaries of the payments, Molefe says.

The ANC denied the claims on Friday. Montana has also denied the claims.

The "confession" by Mashaba places the spotlight on irregular procedures and payments made to Swifambo by Prasa. In 2015, the auditor-general said Prasa had paid Swifambo a deposit of R468m four months prior to Swifambo providing the agency with a performance bond of R307m.

The board's defiance of Peters raises questions of where the minister is getting her orders from and whether she is trying to protect the ANC.

<http://www.bdlive.co.za/business/transport/2016/08/29/news-analysis-who-told-minister-to-scupper-prasa-fraud-probe>

### **Guptas feeling the winds of change?**

*Liezel Hill and Mike Cohen, Bloomberg/Independent Media, 29 August 2016*

Johannesburg - The decision by a wealthy Indian family close to President Jacob Zuma to sell its businesses in South Africa is the latest indication that his grip on power may be slipping.

The Gupta family, which has holdings ranging from coal mining to media, made the surprise announcement on Saturday that it will exit all its interests in the country by the end of the year. Zuma, who has described the Guptas as friends while denying that the family wields political influence, is also facing a public backlash over a police investigation into Finance Minister Pravin Gordhan. Both developments come weeks after his ruling African National Congress suffered its worst-ever election performance.

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The Guptas' move might be a signal that the family is positioning itself to take account of shifting power dynamics, according to Daniel Silke, director of the Political Futures Consultancy in Cape Town.

"They may feel that there is political change coming in South Africa," Silke said by phone. "In the sense that they may not in future have the same access to benefits that they have had in the past."

Zuma, 74, has been dogged by scandal since he took charge of Africa's largest economy in May 2009, including allegations that he allowed the Guptas to use an air force base to transport friends to a wedding, and delegated the family the power to make cabinet appointments. The Guptas have been in business with the president's son, Duduzane, and have employed one of his wives. Zuma and the Guptas say there is nothing untoward about their relationship and deny any wrongdoing.

With his second and final term ending in 2019, Zuma has faced calls to quit since the nation's top court ruled in March that he violated the constitution when refusing to repay taxpayer funds spent on his private home.

#### Minister probe

Criticism of the president has intensified since police revealed last week that they asked Gordhan, 67, to appear at their offices over allegations including setting up an illicit investigative unit while he headed the national tax agency. Opposition parties and analysts have speculated Zuma may use the case to install a more compliant head of the National Treasury. Zuma has said he doesn't have power to halt the probe. The spat caused the rand and government bonds to tumble.

The Guptas' business dealings and links to senior politicians, including Zuma, are currently being investigated by the nation's graft ombudsman. In April, some of the country's largest banks said they would close accounts related to the Guptas' Oakbay companies.

Oakbay Investments owns 80 percent of Oakbay Resources, a gold and coal mining company listed on the Johannesburg Stock Exchange, according to the resource company's website. Other businesses include closely held Sahara Computers, a heavy-equipment supplier, a safari lodge, a television news channel and a national newspaper.

"The Guptas are acting in their own interests," Abdul Waheed Patel, managing director of Ethicore Political Consulting, said by phone from Cape Town. "One must take a cautious view of what happens between now and the end of the year. We have no indication that Zuma is going anywhere any time soon."

#### Poll losses

In local elections this month, the ANC lost its absolute majority in four major cities, including the economic hub of Johannesburg and the capital, Pretoria.

A spokesman for the president, Bongani Ngqulunga, said by phone he was in Nairobi and wasn't immediately able to respond to questions on the implications of the Guptas' sale plans. Gary Naidoo, a spokesman for the Guptas, requested

emailed questions and didn't immediately respond to them. The Guptas said in a statement on Saturday that the family has "no interest in politics, only business".

The investigations into the family's business dealings have driven them to sell their South African assets, said David Maynier, the finance spokesman for the main opposition Democratic Alliance.

"Things have evidently reached a 'tipping point'," he said in an emailed statement on Sunday. The Guptas are "abandoning a sinking ship".

<http://www.iol.co.za/business/news/guptas-feeling-the-winds-of-change-2061860>

## **Gexit? Not so fast, Guptas**

*Marianne Thamm, Daily Maverick, 29 Aug 2016*

Should Number One's BFFs be allowed to unbundle and leave South Africa before the Public Protector or the Hawks have completed investigations into the family's alleged widespread "state capture"? And do those who might be circling the Gupta "assets" (now up for grabs) risk being fingered in possible future criminal matters? The country is poised at an interesting interregnum as the Zuma family blessers are rumoured to be threatening a Gexit. By MARIANNE THAMM.

Right now the Priority Crimes Investigation Unit (Hawks), which last week summoned Finance Minister Pravin Gordhan and other axed members of the SARS executive to their headquarters in Pretoria, is sitting on a massive "investigation" into the Gupta family's alleged capture of the South African state through their relationship with President Jacob Zuma and the ANC.

In June this year Hawks head, Lieutenant-General Mthandazo Ntlembeza, revealed to City Press that three complaints – by the Democratic Alliance, Cope and former ANC MP Vytjie Mentor – had been collapsed into one. The Hawks, he added, were being offered "guidance" in the matter by NPA head Shaun Abrahams, he who is reportedly poised to charge Gordhan and other SARS officials in the coming weeks.

The country learnt at the weekend that one of the more than 30 witnesses Abrahams has reportedly lined up to testify against Gordhan and his former SARS colleagues is Taiwanese-born Durban businessman, Robert Huang, a shady underworld figure and convicted murderer, who is also a former associate of Zuma's nephew Khulubuse Zuma.

Huang was part of a delegation that accompanied President Zuma on a state visit to China in 2010. That same year the SARS National Research Group (NRG), led by Johann van Loggerenberg, initiated a probe into Huang's Mpisi Trading, an import/export business. In 2012, 10 SARS officials were suspended following a joint investigation by police and SARS into a criminal syndicate at Durban Harbour. In two years more than R1-billion worth of counterfeit goods were also seized at the port and SARS launched a R540-million preliminary tax claim against Huang.

What is unsurprisingly not a priority for Abrahams right now is the reinstatement of the over 700 charges of corruption, fraud and racketeering against President Zuma as a full bench of the Pretoria High Court has ordered. Zuma-appointed Abrahams

has opted instead to take the matter on appeal to the Constitutional Court, bypassing the Supreme Court of Appeal.

In June Ntlemenza said that the Hawks investigation into the Guptas should be completed by December. Hopefully by then the prime suspects, Ajay, Atul and Rajesh (Tony) Gupta will still be in South Africa and not safely ensconced behind the high walls of their new R445-million Emirates Hills compound in Dubai (or holed up in the Nkandla bunker with Jacob Zuma).

On Saturday the Gupta family issued a statement announcing they would be unbundling their assets in South Africa.

“As a family, we now believe that the time is right for us to exit our shareholding of the South African businesses which we believe will benefit our existing employees, and lead to further growth in the businesses. As such, we announce today our intention to sell all of our shareholding in South Africa by the end of the year. We are already in discussions with several international prospective buyers and will soon be in a position to make further announcements. We believe that this decision is in the best interests of our business, the country and our colleagues.”

This closely follows reports that a National Treasury investigation into all tenders concluded with Eskom in 2016 revealed that the parastatal had paid more than R130-million to Gupta-owned mining company Tegeta Exploration and Resources for useless coal. The Guptas purportedly attempted to stop the release of the report which had been requested by the DA’s Shadow Minister of Finance David Maynier.

Eskom hit back on Sunday saying Treasury had not issued “conclusive” findings against Eskom or any of its coal contracts.

The multiple investigations into the Gupta family came to a head around March when two complaints were lodged with the Public Protector. The first was by a group of Catholic priests and brothers, the Dominican Order of Southern Africa, who approached Madonsela’s office to investigate the Gupta family and the extent of its dealings and meddling in affairs of state.

The Dominican order also requested the Public Protector to determine whether the Gupta family had known about the appointment of Des van Rooyen in December 2015 and whether the two “advisors” who arrived with him had been properly appointed. The complaint also covered the Gupta family’s business dealings with government departments asking the PP to determine whether there had been any irregularities, undue enrichment, corruption and undue influence in the awarding of tenders, mining licences and government advertisements in the Gupta-owned The New Age.

DA leader Mmusi Maimane also submitted a formal request to Madonsela’s office to investigate whether President Zuma had breached the Executive Ethics Code “by wilfully allowing persons other than himself to appoint members of the Cabinet”.

In July Treasury gave the Public Protector the green light to redirect R1.5-million from other projects to fast-track the investigation into “Guptagate”. Madonsela requested the extra funding in April to employ additional forensic expertise to help unravel the Gupta family’s financial empire in South Africa.

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And it is this investigation that is bound to be the first major challenge the probable new Public Protector, Advocate Busisiwe Mkhwebane, will face when she is almost certain to succeed Madonsela in October.

The DA has voiced concerns about her involvement with the State Security Agency (SSA) where she took up a position as an analyst three months ago. With the involvement of so many spies and spooks, not only with regard to the allegations of a SARS “rogue unit” (one of the first to make the allegation was Pretoria Attorney Belinda Walter, an SSA and British American Tobacco spy) but also those in the security cluster, including Minister of State Security David Mahlobo and Minister of Police, Nathi Nhleko, who are known to be covering the increasingly cornered Zuma’s back, it is little wonder the DA is suspicious.

These are desperate and treasonous end-times.

In March, a day after Deputy Minister of Finance Mcebisi Jonas revealed that the Gupta family had offered him fired Finance Minister Nhlanhla Nene’s position in December, the DA also lodged charges under the Prevention and Combating of Corruption Act against President Zuma’s son Duduzane as well as two of the Gupta brothers, Atul and Rajesh.

Around 20:30 on the evening of 9 May 2016, a Monday, Mabel Petronella Mentor (a.k.a. Vytjie) signed an 18-page handwritten, sworn affidavit she had spent hours dictating at the SAPS Durbanville charge office. This after Mentor, a former ANC MP and chair of Parliament’s committees on Intelligence, Rules and Public Enterprises, had broken ranks in March, ‘fessing up that the Guptas had offered her the Public Enterprises ministry in 2010 in exchange for the dropping of the lucrative SAA route to India in favour of a Gupta-linked airline.

That night Mentor had specifically requested that she give the statement to Major-General Jeremy Vearey, then Deputy Provincial Commissioner for Detective Services in the Western Cape. Vearey, however, did not take the statement. He received it later but recently-appointed Western Cape Provincial Commissioner, Lieutenant-General Khombinkosi Elvis Jula, elevated the explosive affidavit to Ntlemeza in Pretoria.

A month later, Vearey, with Major-General Peter Jacobs, who were both involved in high-profile and highly sensitive investigations involving politicians, were suddenly demoted. The Hawks, through spokesman Brigadier Hangwani Mulaudzi, denied that the demotion had anything to do with the Mentor affidavit. Vearey declined to comment.

Daily Maverick has seen a certified copy of the affidavit in which Mentor says (at paragraph 61) that “I am of the conclusion that the Gupta family, the son of the President [Duduzane] and some Ministers named in this statement [Lynne Brown, Rob Davies and Nosiviwe Mapisa-Nqakula] as well as the President to a certain extent all have a corrupt relationship that gives an unfair advantage to the Gupta family and their associates at the expense of the state using state resources and agencies all the way for their own benefit”.

She says that “from the onset, in the year of the first Local Government Elections after 1994, Mr Chauke [Patrick Chauke ANC MP] reported to me that he met with the

Gupta brothers in a garage which they rented in Bedfordview, Johannesburg, as they [Chauke] were doing door-to-door campaigning for the ANC.”

The Gupta brothers, she continues, requested to be introduced to “the leadership of the ANC and of government in Luthuli House. They specifically wanted to meet President Mandela, Deputy President Thabo Mbeki and Minister Essop Pahad for this introduction they were willing to donate R50,000 for the ANC for election purposes”.

Mentor kicks off the statement explaining how, as the chair of the parliamentary portfolio committee on public enterprises, she was “entrusted with and exposed to and experienced sensitive matters” and that Denel – a state-owned company – “reported under me, meaning I was overseeing together with the Committee reporting under me.”

She said that Denel was “at one stage one of the most stable companies, meaning highly profitable and best run”.

The Gupta brothers, Mentor says, approached the Industrial Development Corporation (IDC) “to borrow or make a loan to establish a company that will partner with Denel. The amount borrowed was R300-million.

“This money was paid out to them. The Guptas were supposed to service the loan amount immediately. For 18 months they didn’t do it and the R300-million became R350-million that the Gupta brothers owed the IDC. They used the money to buy Oakbay Investments which gave birth to Shiva Uranium and VR Laser”.

(Mentor is erroneous in her reporting here as it was Oakbay Resources which took the loan for Shiva Uranium and not for the Denel venture which occurred in 2015. Point is, the Guptas got a R300-million loan.)

Mentor says the Guptas arranged a meeting with the IDC and made a deal that the IDC would become shareholders of one of their companies in lieu of their paying off the loan.

Shiva Uranium, said Mentor, “was strategically placed to supply uranium to the government for the nuclear energy plant that will still be built”.

At this point she became aware, she says, that the Pebble Bed Modular Reactor, “a mini test nuclear station located in Pelindaba”, would be closed down. “This I was very unhappy with,” she says, and she arranged to meet with Minister of Public Enterprises, Barbara Hogan, who advised her to contact President Zuma.

“I decided to follow her advice,” said Mentor, a course of action which eventually resulted in her being flown to Johannesburg from Cape Town ostensibly to meet with the president. Instead she found herself being driven to the Gupta compound in Saxonwold where she was allegedly offered the Ministry of Public Enterprises in exchange for granting the SAA India route to the Guptas.

In the affidavit Mentor sets out how the Gupta brothers collected her from the airport, made the offer and then she describes how President Zuma emerged from one of the rooms in the Gupta mansion after she had angrily raised her voice at the suggestion. She says:

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“At that moment the President enters the foyer from the back of me. I stood up and was angry. I explained to the President what transpired between me and this man, about him telling me that he would put in a word with the President for me to become the Minister, also that he was aware and informed me about my meeting with the President. The President rather chose to calm me by telling me to calm down. The president never reprimanded the man, nor did he come up for me. He didn't even look surprised. I was the person made to be the mad one.”

In March Zuma denied ever having known or met Mentor.

While some weekend papers reported that the Guptas were making an exit and were “bolting” the country, the family on Sunday night issued a statement stating that they planned to remain in South Africa and had no intention of leaving the country.

That surely must be brilliant news for Ntlemeza and the Hawks and Shaun Abrahams and the NPA who will no doubt pursue the investigation into the Gupta family's alleged state capture with the same zeal and dedication they have shown in hounding Pravin Gordhan and his colleagues.

Don't hold your breath, however, that the Hawks will be summoning Ajay, Atul and Rajesh Gupta or Duduzane Zuma, never mind President Jacob Zuma, to the General Piet Joubert building in Pretoria for “warning statements”.

Meanwhile, the week begins for Pravin Gordhan and his colleagues as Shaun Abrahams personally attends to the Hawks docket that was handed to him on Thursday. Your move, Mr Abrahams. Hope it is this sometime this century.

<http://www.dailymaverick.co.za/article/2016-08-29-gexit-not-so-fast-guptas/#.V8P0EE3IrlU>

### **Comment and opinion**

#### **Inside Labour: 'Fashionable ideologies' no cure for joblessness**

*Terry Bell, Fin24, 26 Aug 2016*

GRADUATE students shouldn't look for jobs, they should create them. In other words, such students are to blame for their own jobless predicament; they need only to get off their backsides and make work.

This is the latest variation on a tired free market theme that was summed up 35 years ago by the British Conservative Party's employment minister Norman Tebbit. In 1981 he noted that, in the depths of the Depression of the 1930s, his father “didn't riot. He got on his bike and looked for work, and he kept looking till he found it”.

Coming from one of the imbongi of what became known as Thatcherism and is now draped in the garb of neo-liberalism, the comment was not surprising. It also referred to a time when, despite the economic crisis, most industrial jobs still required manual labour.

Today there is again a global economic crisis, its causes much the same as before. The difference is that technological progress has created a situation where, in terms of work, much of humanity is becoming increasingly redundant.

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However, as this column has noted before, neither the causes of the crisis nor the reality of what has been trendily dubbed the “Fourth Industrial Revolution” have been seriously taken on board by the elites in business and government. Nor, for that matter, by the massed chorus of blinkered economists. Together they sustain the myth that there is no alternative.

The unions too, while often correctly pointing to the causes of the crisis, seem to have no grasp of the potential consequences of the march of the robots. And this position is apparently shared by the SA Communist Party (SACP), which the Cosatu federation insists is THE workers’ party.

What other explanation can there be when the latest “create your own jobs” call to “entrepreneurship” came from Buti Manamela? He is not only the Deputy Minister in the Presidency, but also a senior central committee member of the SACP.

Coming on top of his historic claims - especially as head of the Young Communist League - to “champion campaigns to resolve youth unemployment”, the latest comment is jarring. He did, however, also hint at the changed industrial environment by advising students to gear their studies towards areas of new jobs.

And there are new jobs. But relatively very few - and becoming fewer in this rapidly changing digital world of, at best, partial democracy and a lack of fully accountable, cooperative governance.

One million US drivers may be out of work

In recent weeks, for example, there have been newspaper headlines about the advent of driverless cars in the United States. There was also mention that this may put 1 million US drivers out of work, but no analysis of the human cost.

Yet we have heard and seen it all before, in industries ranging from newspaper and magazine publishing to vehicle manufacture. Massive retrenchments saw some skilled print and auto workers retraining to take on new jobs. But for most, it was the end of the line.

And where manual labour in some regions remained cheaper than machinery, production relocated and the race to the bottom accelerated. But workers tend to organise and demand a fair wage. In the words of the free marketeers, they “price themselves out of jobs”. Besides, as machines become cheaper even workers paid at bare subsistence level are no longer employable.

This brings to mind a comment, written in 1949 by the mathematician Norbert Wiener and not published until 2012: “These new machines have a great capacity for upsetting the present basis of industry, and of reducing the economic value of the routine factory employee to a point at which he is not worth hiring at any price.” And this, he added, could usher in “an industrial revolution of unmitigated cruelty”.

We are starting to feel the effects of just such a revolution. But Wiener also pointed out that it would be possible to “live a good life with the aid of the machines”. However, this would mean dealing “in facts rather than in fashionable ideologies”.

“Fashionable ideologies” are the smokescreens established by ruling minorities that dull and confuse the senses of the ruled. And, in the present context, the

propaganda that the solution to massive joblessness is entrepreneurship and self created work fits this bill exactly.

<http://www.fin24.com/Economy/Labour/InsideLabour/inside-labour-fashionable-ideologies-no-cure-for-joblessness-20160826>

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