



Numsa Media Monitor

Wednesday 7 September 2016

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

South African workers

An empty oil drum, a two-plate stove and KFC streetwise 2 for a pension...

Jeanette Chabalala, News24, 7 Sept 2016

White River – About 500 workers at the White River Saw Mill in Mpumalanga have gone on strike after they were allegedly offered a 78c wage increase.

One of the workers, Tebogo Monareng, 43, told News24 on Tuesday that they wanted a basic salary of R5000.

He said they had been picketing at their employer's offices since last Friday.

Monareng had been working for the company for 10 years. He said workers got between R2200 and R3000 a month and received no pension or medical aid.

He claimed those who had been with the company for 35 years got an empty oil drum, a two-plate stove and KFC streetwise 2 meal for a pension.

He alleged that on August 17, the company offered them a 78 cents increase.

“The company said their final offer to us would be a 78 cents increase. We do not have a medical aid and we also share changing rooms with female workers. We don't have privacy, and if you go to a toilet for 10 minutes, employers start complaining.”

The company's Karlien Maritz said: “From the company's side we do not have a comment at this stage.”

Monareng said they wanted their rights acknowledged and that workers felt oppressed.

“It was embarrassing when we witnessed our parents, who used to work for the same company, going through this and it is embarrassing for us to earn less money,” he said.

The Association of Mineworkers and Construction Union’s Mpumalanga regional secretary John Sibiya said they would continue fighting for workers’ rights.

“It is troubling that workers have been earning less than R3000. Workers deserve better than what they are receiving right now.”

<http://www.news24.com/SouthAfrica/News/white-river-saw-mill-workers-strike-after-r078-increase-20160907>

UNTU threatens Gautrain strike

Zintle Mahlati, Independent Media, 6 September 2016

Johannesburg - Labour union the United National Transport Union (UNTU) has been granted a strike certificate which could see it take to the streets if its wage demands are not met by Gautrain operator, Bombela Operating Company.

The union has been battling it out with Bombela for months demanding a 9% wage increase, while the company has offered 7.6%.

The union said on Tuesday, in statement, that this latest development proved that the company was applying delay tactics in dealing with the workers’ demands.

UNTU had previously been denied negotiating rights with the company when the union lost its threshold number, which required it to have over 50% of members in order to negotiate.

“The blame for the delay, in the finalisation of this dispute, must be placed on the shoulders of the employer who tried its best to delay the process because UNTU’s membership had dropped to below 50% and the employer no longer bargained collectively with union,” said UNTU general secretary Steve Harris.

With the fresh go-ahead from the Commission for Conciliation Mediation and Arbitration (CCMA) the union said it would get a mandate from its members on whether they would go on strike.

It also tried to calm Gautrain users and said it would try its best no disrupt usual travel, but this was dependent on whether they got a favourable answer from Bombela Operating Company.

“Unfortunately the attitude of the employer aggravated its employees. The decision of the UNTU members on Saturday would determine when the union will give the employer a 48 hour notice to go on strike,” warned Harris.

<http://www.iol.co.za/business/news/untu-threatens-gautrain-strike-2065119>

CCMA rules in favour of Parliament’s researchers

Khulekani Magubane, Business Day, 5 September 2016

PARLIAMENT finds itself in yet another tight financial spot after the Commission for Conciliation, Mediation and Arbitration (CCMA) ruled that the legislature should pay researchers salary increases, which are four years overdue, retrospectively.

The CCMA ruling on Monday means that Parliament will have to find up to R38m to pay Parliament's researchers since a 2011 pay scale agreement was signed but never implemented.

According to a source, the ruling will also see researchers in Parliament go from earning about R650,000 per annum to over R700,000 per annum.

The original agreement to move Parliament's researcher's up to a higher pay scale category in the legislator's system was agreed to during former secretary of Parliament Micheal Coetzee's time.

CCMA commissioner Cecilia Brummer ruled that Parliament's failure to implement the decision which Coetzee accented to constituted unfair labour practice. She ordered Parliament to implement the decision to rank researcher as level C4 retrospective from December 2010.

"The respondent is ordered to make a total payment to the 49 applicants, with retrospective effect from December 2010 of R38,481,366 to be made by 30 November 2016," Brummer wrote in her ruling.

The decision also puts pressure on the secretary of Parliament, Gengezi Mgidlana, in his current impasse with Nehawu.

Nehawu's structures in Parliament held major strike action late last year over performance bonuses and staff grading. Mgidlana pleaded Parliament's poverty at the union's demands for performance bonuses consistent with staff members' original performance grading.

<http://www.bdlive.co.za/national/labour/2016/09/05/ccma-rules-in-favour-of-parliaments-researchers>

Cosatu backs protests over school policies

Zintle Mahlati, Independent Media, 5 September 2016

Johannesburg - Labour federation Cosatu has thrown its weight behind protests against some schools' racial policies, calling for widespread change to accelerate the transformation of the country's schooling system.

It said on Monday that the protests were long overdue and that more was needed to be done to tackle racial discrimination in the country instead of incident driven responses by the Department of Education.

"We also do not believe that the current firefighting and piecemeal approach by the Department of Basic Education is what will bring about real democratic representation in the school governance," said Cosatu spokesman Sizwe Pamla.

"While we acknowledge that students, parents and teachers now have democratic organisations available through which they can take over education, it is obvious that

the presence of these organs of people's power is not enough to help overhaul the apartheid apparatus that continues to strangle our education and cultural life."

Cosatu said that the solution to the scenes seen last week, which started with protests at Pretoria Girls High School, was for change from below.

It said that all stakeholders, the government, parents and civil society, should work together to ensure that school governance guidelines and protocols were based upon the principles of co-operation, critical thinking and civic responsibility.

But this should not only be left in the government's hands but should encompass policy formulation and curriculum development.

"The current top down approach to education has shown less confidence in people's governing organs in South African schools. Cosatu wants the government to recognise education as very fundamental for social development and justice, and therefore protect the education sector from privatisation and commercialization," said Pamla.

<http://www.iol.co.za/news/politics/cosatu-backs-protests-over-school-policies-2064624>

South Africa

ANCYL, ANCWL and MKMVA rally behind President Zuma

Clement Manyathela, EWN, 5 Sept 2016

The leaders of the association and the two leagues say President Jacob Zuma will finish his term.

JOHANNESBURG – The leaders of the uMkhonto we Sizwe Military Veterans Association (MKMVA), the African National Congress Youth League (ANCYL) and the African National Congress Women's League (ANCWL) all say President Jacob Zuma will finish his term whether people like it or not, and that no amount of protesting will change that.

The leaders addressed hundreds of ANC members who gathered outside Luthuli House earlier, calling themselves the 'defenders of the ANC and President Jacob Zuma'.

They assembled to oppose supporters of the 'Occupy Luthuli House' group who handed over a memorandum to the party's secretary general Gwede Mantashe, demanding Zuma step down.

Just after the 'Occupy Luthuli House' supporters dispersed, the ANCYL, MKMVA and ANCWL gathered the defenders of Luthuli House together and addressed them.

The supporters cheered and sang songs praising Zuma.

Some supporters in the 'Defenders of Luthuli House' camp came all the way from the Free State, and others from KwaZulu-Natal.

ANCYL General Secretary Njabulo Nzuza says calls by the 'Occupy Luthuli House' supporters for the president to step down are just dreams.

"This is a counterrevolutionary attempt to bring disunity to the ANC, unfortunately they are not going to succeed."

Occupy Luthuli House organiser Bonolo Ramokhele says while they were intimidated and insulted, they are satisfied that their message has been sent.

"We are more than satisfied as to how things turned out because we were able to register our message."

He says they will be watching the party closely to ensure it responds to their demands.

Meanwhile, the ANCYL claims the people that were part of the occupy Luthuli House campaign are non-ANC members and that most of them were even foreign nationals.

The league's Jabulani Nzuza says, "Some of those people are not even known within the organisation, some of them are foreign nationals from Swaziland who are clearly here to cause disunity within the organisations."

<http://ewn.co.za/2016/09/05/ANCYL-ANCWL-and-MKMVA-rally-behind-Zuma>

ANC lost at the polls because it didn't listen to me, Zulu king tells maidens

Julia Madibogo, TimesLive, 6 September 2016

King Goodwill Zwelithini has told the African National Congress (ANC) to step aside and let him lead his people if it is unable to.

The Zulu monarch, according to a report on IOL, said he would be able to take over the reins because: "God gave me powers to lead."

The king told thousands of maidens during a reed dance ceremony over the weekend that political murders in Inchanga, allegedly as a result of infighting between alliance partners the ANC and the South African Communist Party (SACP) before and after the local government elections, were signs of a failed leadership.

"It hurts me when I am seeing people holding two separate funerals on the same day in one area, while they belong to one party, one alliance," the king was quoted as saying.

This was a reference to the murder of SACP activist Nonsikelelo Blose, who was gunned down near a tavern in the area after attending an SACP meeting, which was followed by the revenge killing of the ANC's Xolani Ngcobo.

"As I am talking, the capital city of South Africa is governed by whites, which is a sign that the country is gone. The economic base [Johannesburg] has been taken over by whites. If politicians had listened to me, the election results would not be like this," he said.

The king had previously told government leaders that they should be honest with people and tell them if they would be able to deliver on their promises on time, instead of giving them false hope.

He said the ANC and opposition parties were interested in power rather than service provision.

ANC provincial spokesman Mdumiseni Ntuli said his party “welcomes and respects” the opinions expressed by the king.

“We are also working harder to ensure that the current stalemate is resolved in the best interests of the people of Jozini,” he said.

<http://www.timeslive.co.za/politics/2016/09/06/ANC-lost-at-the-polls-because-it-didn%E2%80%99t-listen-to-me%E2%80%9A-Zulu-king-tells-maidens>

UKZN students claim police brutality and rape

Sihle Mlambo, Daily News, 7 September 2016

Durban - Police have been accused of using excessive force in dealing with protests at the University of KwaZulu-Natal.

Students at UKZN’s Mabel Palmer residence in Glenwood said police kicked down doors and forced their way into residences on Monday, then left without an explanation.

A woman who describes herself as a UKZN School of Arts lecturer, Pumelela Nqelenga, wrote on Facebook that a woman student had been raped by a police officer at the Pietermaritzburg campus on Monday.

“SAPS raped a student last night during the protest. We have been waiting for an ambulance... RMS (Risk Management Services) wanted her to pay for the ambulance but we are stopping it. During the protest black women are being sexually assaulted,” she wrote.

UKZN spokesman Lesiba Seshoka confirmed a case of sexual assault had been reported to the university.

“A student on the Pietermaritzburg campus has reported a case of sexual assault by an SAPS officer. The alleged incident is reported to have happened off campus. It is under investigation,” he said.

Police spokesman Lieutenant-Colonel Thulani Zwane said no case had been opened with the police.

Nqelenga told online newspaper Daily Vox that the student was in hospital and would decide for herself if she wanted to pursue criminal charges against the police officer.

“The way the university has handled the situation is very bad. There are three campus securities here... and there’s the police. None of them are protecting the students. It looks quite volatile, it feels as if they are antagonising the students,” she told the Daily Vox.

Students said their doors were kicked down without reason by police and private security at a residence near the Howard College campus.

"We also do not like what is going on, we want to return to classes and complete our degrees, but we can't if such is happening," said one student.

"We are not safe any more. We were attacked where we stay, they come and attack us, we don't know who to trust any more because they come in and just attack us. In this case, I don't think the protest will stop any time soon because the management is arrogant enough to allow burning to continue because they do not want to meet student leadership and address the issues," said the final-year student.

Unisa criminologist and policing expert Professor Rudolph Zinn speaking generally on police crowd management said police lacked training and needed to act with as much restraint as possible.

"They need to gather intelligence on people enticing people to commit offences, identify those individuals and arrest them when they are not part of a group. If you arrest them as part of a group, you inflame the situation," he said.

"Firing tear gas into crowds creates the opposite reaction to what they actually want, it causes students to ransack buildings and this is concerning, because we have not seen professional policing in dealing with issues correctly," he said.

Zinn said police should be on campus to protect university property and students.

<http://www.iol.co.za/news/crime-courts/ukzn-students-claim-police-brutality-and-rape-2065322>

Students occupy #FeesCommission, demand Max Price remove interdict against students

Ra'eesa Pather, Mail & Guardian, 6 Sep 2016

During the Fees Commission hearing in Cape Town, students and workers occupied the inquiry to raise their concerns about the commission's work, which they reject.

A group of protesting students halted the proceedings of the Fees Commission at the Centre of the Book in Cape Town, where the commission was being held. The commission has been tasked with investigating the "feasibility" of free higher education, but students have said they want the commission to investigate how free education can be made a reality and not whether it is feasible.

Under the banner of #BlackSolidarityAction, students from the University of the Western Cape and the University of Cape Town (UCT) began toyi-toying before they occupied the commission. Judge Heher, chair of the commission, was replaced by Maixole Mlandu, a UCT student who was active in the Rhodes Must Fall student movement.

"We are not only concerned with free black socialist education, but we are also concerned about the society in which we find ourselves, which is a white settler neo-colonial country," Mlandu said, sitting in the chair at the front of the room where Judge Heher previously sat.

Workers and students took the mic, while commission heads were called “fake bourgeoisie officials” by students from #BlackSolidarityAction. Students spoke of rape and patriarchy on campus and how it has yet to be addressed while others spoke out against the commission, saying it has failed to put students first.

UCT vice-chancellor Max Price spoke earlier in the day, saying that free education must be made available to poor people in the country. Shortly after he spoke, Price was surrounded by students who refused to let him leave the proceedings.

“You cannot come here and say this thing of ‘we want to give education to the poor’, while at the same time you are depriving students of their own education,” a student told him.

In February, students dismantled art from the walls of a UCT residence and burned them. The university interdicted 16 students and five students are still banned from setting foot on campus. One of these students, Alex Hotz, is not allowed to be on UCT property for the next five years.

“Alex is not studying for five years – five years – because of you and you are telling us nonsense here,” a student told Price.

Price tried to leave, but was barred by students and eventually had to be escorted out by public order police. The vice-chancellor said that students had been interdicted because they had broken the law during the protest.

But for the students who have occupied the commission, suspensions are one of the reasons they feel the commission is ineffective.

“The vice-chancellors who are inside must first remove the suspensions then we can discuss everything thereafter. But without removing the suspensions, there is no Fees Commission,” a student said.

Student protesters at various universities across the country have been suspended after the #FeesMustFall protests. The Fees Commission will hear submissions in various provinces before releasing its findings.

<http://mg.co.za/article/2016-09-06-students-occupy-feescommission-and-demand-max-price-remove-interdict-against-student>

SA universities drop in world rankings

Daily News, 6 September 2016

Durban - South African universities have dropped markedly in the QS World University Rankings survey, with the country's best ranked tertiary institution, the University of Cape Town, slipping 20 places.

Apart from the new entrants - North West University and the University of the Western Cape, both ranked in the 700+ category - all South African universities which had previously featured in the survey conducted by the higher education think tank QS Quacquarelli, declined in rank - some by more than 100 places.

The University of KwaZulu-Natal, which was ranked in the 551-600 category last year and sixth in South Africa, has dropped to the 651-700 category. The University of Johannesburg remained stable in the 601-650 category.

UCT dropped from 171 last year to 191 this year and Wits University declined 28 places to 359 from last year's 331. The University of Pretoria has been demoted from the 501-550 to the 551-600 category.

The survey found that seven of the nine South African universities had declined in terms of their academic reputation and employer reputation. They were also ranked lower for teaching quality, as determined by the faculty to student ratio.

The Massachusetts Institute of Technology topped the international rankings, followed by Stanford and Harvard - all in the US.

In fourth place was Britain's University of Cambridge.

The rest of the top 20 were US and British universities, with the exception of two Singapore and two Swiss institutions.

UKZN spokesman, Lesiba Seshoka, said they were concerned about the drop, despite being pleased to have secured a ranking.

"To be included in the rankings is indeed an achievement and is only possible through good governance, fortitude, remarkable academic ability, research productivity, quality programmes and the valued contribution of competent and capable staff and students.

"We, however, note with concern the consistent drop across the board in the rankings of some of the top South African universities. UKZN will examine the fact file with a view to addressing the situation in preparation for the next assessment," he said.

However, three universities - UKZN, Wits and University of Pretoria - showed an improvement in their research performance.

"The relative research impact of South African universities decreases this year. Six of South Africa's ranked universities see lower ranks per faculty," the report noted.

Head of research at the QS Intelligence Unit, Ben Sowter, said funding shortfalls at South African universities were a likely reason for the decline in the performance of the universities.

"This year's rankings imply that levels of investment are determining who progresses and who regresses. Institutions in countries that provide high levels of targeted funding are rising. On the other hand, Western European nations making or proposing cuts to public research spending are losing ground to their US and Asian counterparts."

<http://www.iol.co.za/news/south-africa/sa-universities-drop-in-world-rankings-2065153>

South African economy grows by 3.3% in second quarter of 2016

Fin24/Mail and Guardian, 6 September 2016

South Africa's gross domestic product (GDP) grew by 3.3% quarter-on-quarter in the second quarter of 2016, after contracting by 1.2% in the previous quarter, Statistics SA announced on Tuesday. The year-on-year growth was 0.6%.

Mike de Beer, who announced the growth stats on behalf of Statistician General Pali Lehohla, said for the first time in a long while there was a positive growth rate in all three the large sectors. The primary sector showed a growth rate of 8.8%, with mining up by 11.8% and agriculture down 0.8%.

The secondary sector grew by 5.3% with manufacturing up 8.15%, construction up by 0.1% and electricity down by 1.8%. There were notable increases in the petroleum and motor vehicle manufacturing divisions.

The tertiary sectors showed a growth rate of 2%, with finance up 2.9%, transport up 2.9%, trade up 1.4%, government up 1.2% and personal services up 0.8%.

Manufacturing increased by 8.1%

He indicated that manufacturing, mining and quarrying made the biggest contribution to GDP growth. Manufacturing increased by 8.1%, largely due to higher production in petroleum and chemical products, rubber and plastic products and motor vehicles, parts and accessories and other transport equipment. There was flat growth from the rest of the economic sectors, like construction, for instance, said De Beer.

Nominal GDP is estimated at just more than R1-trillion. The finance sector is the biggest contributor followed by government, trade and manufacturing. About R1 in R5 comes from the financial sector.

Real expenditure on GDP increased by 3.4% in the second quarter on a q/q basis. It was mostly export driven. Government consumption expenditure increased by 1.3%. There were declines in gross fixed capital formation and imports of goods and services.

Consumption up, Exports up

Household final consumption expenditure increased by 1% q/q. The strongest growth came from miscellaneous goods and services (8.9%). The growth in consumption expenditure was mostly on the services side.

Government final consumption expenditure increased by 1.3% q/q and gross fixed capital formation decreased by 4.6% q/q. Construction works declined by 14.4% and machinery and other equipment by 13%.

Exports increased by just over 18% in the second quarter, while imports decreased by 5.1% q/q.

De Beer said the growth rate tells the same story as the last 3 or 4 years in terms of GDP growth.

<http://mg.co.za/article/2016-09-06-south-african-economy-grows-by-33-in-second-quarter-of-2016>

International

Indians Staged One of the Largest Strikes in History, But No One on U.S. Cable News Covered It

Zaid Jilani, The Intercept, 6 Sept 2016

Ten Indian trade unions staged one of the largest strikes in human history on Friday, with tens of millions of public sector workers participating in a shutdown of parts of the Indian economy to protest Prime Minister Narendra Modi's economic plans.

But if you're an American relying on cable news, it would be hard to know it ever happened.

Not a single American cable news network ran a segment focused on India's massive strike, even on Labor Day, the U.S.'s annual holiday dedicated to workers.

The strike came after Modi began a push for increased foreign investment and privatization of some state-run industries. Unions fear these policies will undermine both wages and employment.

The size of the strike alone forced the government to offer concessions prior to Friday in an attempt to avert it, offering a boost in the minimum wage for some non-skilled workers and the unfreezing of some public employee bonuses.

The unions were not persuaded by this offer. "Prime Minister Narendra Modi said his fight is with poverty, but it seems his fight is with the poor in this country," Indian National Trade Union Congress Vice President Ashok Singh said prior to the strike.

The unions petitioned the government with a list of demands, including a call to increase the minimum wage to 18,000 rupees a month (around \$271 USD). India-based The Hindu published a short video report on the strike with English subtitles.

The only mention of the strike on U.S.-based cable news was during a segment on CNN International where the CEO of the human resources consulting firm ManpowerGroup cited the Indian strike as part of global concerns about technology suppressing wages.

<https://theintercept.com/2016/09/06/the-unrelenting-pundit-led-effort-to-delegitimize-all-negative-reporting-about-hillary-clinton/>

Comment and opinion

DA's local elections wins might be ANC's future nightmare

Raymond Suttner, Daily Maverick, 6 Sep 2016

As is evident in discord voiced in the media, the ANC is still reeling after the setbacks it experienced in the local government elections of 3 August.

It may be that specialists in analysing election statistics argue that the ANC has been less weakened in the rural areas than in urban areas, and that the extent of the DA victory may be less than it appears. Nevertheless, at a symbolic level it remains a substantial defeat.

Whether or not this is a precursor to national loss of political power remains to be seen, and there remain many hurdles to be overcome before the DA or any combination of forces can hope to achieve a national majority, with or without some type of alliance.

It remains very important that the DA now has control, sometimes with the support of coalition partners, sometimes with EFF support (but outside of a coalition), ensuring its majority of three key metros, with a total budget of R287-billion.

For all the exaggeration there may be about DA efficiency it is likely that they will run the metros now under their control more efficiently than the ANC has. They have a powerful incentive to “deliver” and as a new council have no reason to be complacent. They have “something to prove”. If they do perform significantly better than the ANC has done, the “nightmare” that the ANC faces is that it may not be possible to regain control of these metros in the foreseeable future.

It is said that those black people who misguidedly voted for the DA will soon learn that their fate is far worse under DA rule. The DA is already accused of racism in the Western Cape, and there is no doubt that Cape Town is a very unequal society with continuing dehumanised and dangerous conditions in black and especially African areas.

But the ANC cannot claim to have unequivocally championed the well-being of the impoverished and oppressed majority. The ANC has often failed to meet their basic needs, where the resources were available.

But more insidiously, structural racism has been perpetuated in many respects. This is manifested, among other ways, by the mode of operation of public and private policing, where black people are presumed to be potential criminals and stopped or harassed, or find themselves facing charges or arrest, while whites drive or walk past without hindrance. We know, of course, that structural racism and inequality are also found in educational institutions and a number of other sites of public and private existence.

In other words, if the DA does practise racially discriminatory practices and entrench inequalities, it will not be inventing something new but perpetuating the legacy of the ANC in the areas it has governed.

At a more general level the ANC appears ideologically bankrupt, making little contribution to public life and thinking. There was a time when the ANC and SACP evoked debates through its statements and position papers. That is no more. ANC statements are unconvincing, clichéd and do not inspire much interest.

Despite still being the largest political organisation and the national government of the day with control of key state institutions, the ANC nevertheless creates an impression of incoherence. There is publicly displayed disunity in the ANC itself and within the ANC-led alliance, especially in relation to the SACP in recent times. There are also, possibly to an unprecedented extent, openly contradictory statements by various office-bearers.

Whatever hegemony, in the sense of moral and intellectual consent, that the ANC once enjoyed has disintegrated. It is viewed with considerable cynicism. In spite of this defeat – for it was a defeat – every linguistic stratagem the ANC uses has little

conviction and zero persuasive power in its attempts to depict the defeat as a victory or less decisive setback than it was.

Much of the blame for the ANC's setbacks as well as its declining moral support can be attributed to the president, Jacob Zuma, and the character of his leadership. He manifests seemingly contradictory qualities. At once he appears absent, yet what he wants to happen is executed or attempted to execute by others, whether or not he is visible as a decision-maker.

He has suffered setbacks but this does not seem to have made him more cautious, and may possibly have made his attacks on individuals and democratic institutions more aggressive and thoroughgoing. Despite the local government elections constituting some sort of judgement on the pillage of state resources there seems, now, to be a more gross, single-minded attempt to take over state apparatuses and divert these towards private benefit.

It is in this context that we need to understand the attack on the Treasury and on Finance Minister Pravin Gordhan in particular, through abuse of the power of the Hawks. There is simultaneously a pushback, a resistance from the side of the Treasury, but also investors reacting negatively, withdrawing or threatening to withdraw their stake in South Africa, as a result of these attacks on custodians of public finance.

The local government elections were both a watershed moment and confirmation of what some were reluctant to recognise. It was a watershed moment insofar as nationalist mythology was confronted by documentary evidence of the liberation movement's rejection by the people whose "sole and authentic representatives" they were meant to be (in the words of international organisations at the time of the struggle) in perpetuity or in Zuma's words "until Jesus's return". The elections provided evidence to the contrary, not something that could be dismissed as simply the work of malcontents or racists, but in some key areas, rejection by the ANC's core constituency.

One ought to pause and consider what it means to have been defeated in Nelson Mandela Bay, the area where there must be more Robben Island prisoners per square kilometre than any other part of the world. It was a place that lived, breathed and loved the ANC, the home of Govan Mbeki and Ray Mhlaba, among others.

Johannesburg produced many of the organisation's giants, who became legends in the struggle – AB Xuma, Anton Lembede, Walter and Albertina Sisulu, Nelson Mandela, Oliver Tambo, Lillian Ngoyi, Bram Fischer, Ruth First and many others.

In the Tshwane area, one also found early ANC leaders including SM Makgatho, who succeeded John Dube as president, Simon Peter Matseke, Stephen Tau and later Peter Nchabeleng and Frances Baard, who were in Pretoria for much of their political life.

The ANC held the reins of power in a period when a number of inherited problems had to be addressed partly before having the resources to do this. It could not deliver fully on the promise of a better life, initially, even where some urgent needs had to be addressed. But the problem that arose was that even when this capacity increased and the resources were there, it still failed to meet basic needs in many cases. In a

significant number of situations the ANC government has been proved to have diverted resources intended for the poor into private pockets.

The ANC lost more than electoral support and it lost this before the elections. It ruptured a connection with the people who were its traditional base and it lost that link because it betrayed them.

The ANC betrayed the trust that had been built over decades of struggle from the organisation's early beginnings through decades when it was overshadowed by other organisations which had a broad mass base long before the ANC (like the Garveyites and the Industrial and Commercial Workers Union, the ICU).

As it gradually gained support, notably in the 1950s, it engaged in different forms of resistance, surviving vicious repression. Having forged that connection with its base, it has now betrayed it. It was a link that existed between an organisation that was loved by a people who saw it as the only force that would restore their dignity and sense of self-worth, that would right the wrongs wreaked on them over centuries.

The ANC did not need elections to recognise that it had severed its relationship with those who loved the organisation, who grew up in the organisation or in families that belonged to the organisation over generations, in a time when many of its leaders were exemplary in their conduct.

The ANC of today has forfeited this moral capital, which it enjoyed until relatively recently. In recent times it has acted in a manner that has been callous, cruel, greedy, and hurtful to its own core constituency. In its indifference to suffering, even through acts that have caused death, it has been seen to violate the bond with those who trusted it with everything.

It may be asked why this rupture did not happen earlier. For very many the ANC represented a way out of misery, an organisation that at one stage did its best for its constituency. When it became the government, when people did not always get that which they needed or that to which they were entitled, they remained relatively patient, because they considered this to be their organisation. It had proved itself over decades, suffering with or on behalf of the oppressed people.

What is the future trajectory of the ANC? It is difficult to see the organisation recovering the ground that it has lost in the short run, especially when it is engaged in intense internal battles. For it to recover the moral high ground, as urged by the Gauteng ANC, is even more difficult to visualise since it will mean uprooting practices that have been established over the last two decades.

The suggestion that the ANC always "self-corrects" or can return to its "true self" is rather difficult to imagine, and what that "true self" is may well be subject to considerable debate.

For those who observe what is happening from the outside, the conflicts within the ANC cannot be allowed to determine the future of our democracy. It has been said that there is and can be politics outside of the ANC and beyond electoral contestation. No site on its own can be the exclusive place where democracy is realised. It is important that we build our democratic voices in a range of places that cumulatively contribute towards the regeneration of our freedom. DM

Raymond Suttner is a scholar and political analyst. He is a former political prisoner for activities in the ANC-led liberation struggle. Currently he is a Part-time Professor attached to Rhodes University and an Emeritus Professor at UNISA. His most recent book is Recovering Democracy in South Africa (Jacana and Lynne Rienner, 2015).

<http://www.dailymaverick.co.za/article/2016-09-06-op-ed-das-local-elections-wins-might-be-ancs-future-nightmare/#.V86s5k3lrU>

How the ANC's path to corruption was set in the 1994 transition from apartheid

Roger Southall, Mail & Guardian, 7 Sep 2016

There are suggestions that the ANC lost the plot after the ascension of Jacob Zuma as the party's president in 2007. There may be important elements of truth in this. However, there are compelling reasons that situate the morality challenges faced by the ANC – and by extension the country – in the 1994 political transition.

Recent developments do indeed place Zuma, who is now also the president of the country, at the centre of the web of corruption at the present time. And it is clear that some within the ANC hold him personally responsible for the drastic decay in the party's morality. For many, the present battle between Zuma and his minister of finance Pravin Gordhan is viewed as the culmination of between those who view the ANC as a machinery for accumulation and those who hold true to its historical mission as a vehicle of liberation fighting for a more socially just society.

The harassment suffered by Gordhan at the hands of the Hawks, an elite police unit, is seen as an extension of the "state capture" agenda that led to the firing of Nhlanhla Nene in December 2015. This comes after a host of allegations that the country's key state owned enterprises, like South African Airways and the power utility Eskom, have been captured by the Zuma faction of the ANC elite.

This might look like a factional battle with good guys on one side and bad guys on the other. But I would argue that the challenge of economic transformation within a racially polarised capitalist economy provided opportunities for careerism, personal enrichment and corruption.

At the heart of the morality problems faced by the ANC are fundamental forms of relations it has carved with capital as driven by two principal factors. Firstly, as a political party the ANC has needed funding. Secondly, there is the factor of how the ANC has chosen to promote what it terms the National Democratic Revolution, most notably through Black Economic Empowerment.

Partner with large scale capital

In the mid-1980s, South African capitalism had begun to lose faith in the capacity of the National Party government to stem the rising tide of revolution. Increasingly, therefore, business looked for an accommodation with the ANC. For its part, the ANC leadership recognised the unreality of strategy premised on a revolutionary seizure of power. It presented itself as a partner with which large scale capital could play.

While it was the political negotiation process which grabbed the attention, much was happening behind the scenes. Individuals at the top of the corporate ladder struck up

relationships with the incoming ANC leadership. Above all, this was exemplified by a focus on Nelson Mandela, who after his release from jail came to enjoy the company of the very rich. He forged strong relationships with both Harry Oppenheimer, Chairman of Anglo-American, and Clive Menell, vice chairman of the rival Anglo-Vaal mining group.

Just as the ANC was unable to overthrow the political, so it was unable to overturn the economic order. The collapse of the Soviet Union, one of the ANC's principal supporters, fundamentally changed the international landscape. This played to the strengths of those leaders within the ANC who were less than enamoured with state socialism. Such factors, along with pressure from bodies like the International Monetary Fund, underlay the shift away from the left.

State-owned enterprises

At base, the ANC was a nationalist movement whose principal focus was on the capture of the state and the pursuit of democracy. Within this formula was embedded the commitment to the overthrow of "internal colonialism" (the domination of whites over the majority black population). It followed that capture of the state and internal decolonisation would require the rapid growth of the black middle class and indeed, the expansion of a class of black capitalists. This was true both in terms of social justice and the needs of the economy.

However, the problem facing an emergent black capitalist class was its lack of capital and capitalist expertise. One of the solutions was that, from the moment it moved into office, the ANC viewed its control over the civil service and parastatals as the instrument for extending its control "over the commanding heights of the economy". Parastatals accounted for around 15% of GDP.

This included the strategy of transferring state-owned enterprises on discounted terms to blacks via privatisation. In the event, this did not prove to be particularly successful simply because the amounts of capital required for the purchase of all but non-core assets were too large for aspirant black capitalists to raise.

Nonetheless, the national democratic revolution charged the ANC with using state power to deracialise the economy. This predisposed the ANC to regard the parastatals as "sites of transformation". The ANC's control of the state machinery became a source of tenders for its cadres. This aspect has lent itself to corruption, patronage and the monetarisation of relationships within the ANC.

The extent of corruption in tendering is difficult to estimate. The ANC is appropriately anti-corruption in its official stance, and indeed has put in place important legislation and mechanisms to control malfeasance. Equally, however, it has proved reluctant to undertake enquiries which could prove embarrassing.

There have also been two other activities at work. First, certain corporations have distributed financial largesse to secure contracts and favour from government. (Their success in so doing is hard to prove given the secrecy of party funding). Second, ANC politicians at all levels of government have sought to influence the tender process in their favour.

Odd combination of power and money

One of the key challenges is that the South African political economy continues to revolve around “an odd combination of new (political) power without money and old money without power”. Each needs the other to advance its interests. This is structurally disposed to favour corruption, as is indicated by the incestuous relationship which has developed between Chancellor House and parastatals. Chancellor House is listed as a charitable trust designed to facilitate economic transformation. However it has become clear that its intent is to fund the ANC.

And the need for party funding is more likely to increase than diminish. Although the case for public disclosure of private funding of political parties is by no means so strong as its supporters proclaim, it remains difficult to exclude influence peddling from this particular terrain.

As the ANC acknowledges, it is a multi-class movement composed of capitalists, middle class, workers and the poor. As such it is a host to class struggle within a society imbued with capitalist values and consumerist temptations. Despite the early efforts of Congress of South African Trade Unions and the South African Community Party to shift policy to the left, many within their own ranks have fallen victim to the temptation of following a political path to personal enrichment. In such a situation, it is not surprising that it is the rich and the powerful who have benefited overwhelmingly from our democracy.

Roger Southall is Professor of Sociology, University of the Witwatersrand

This article was originally published on The Conversation.

http://mg.co.za/article/2016-09-07-how-the-ancs-path-to-corruption-was-set-in-the-1994-transition-from-apartheid?utm_source=Mail+%26+Guardian&utm_medium=email&utm_campaign=Daily+newsletter&utm_term=http%3A%2F%2Fmg.co.za%2Farticle%2F2016-09-07-how-the-ancs-path-to-corruption-was-set-in-the-1994-transition-from-apartheid

Setting a minimum wage will lead to more unemployment

Ann Bernstein, Business Day, 7 September 2016

THE South African economy will most likely fail to grow at all this year. In the first six months, the country lost nearly 500,000 jobs and there are now nearly 9-million unemployed. These numbers represent catastrophic human costs. Yet this is the moment when policy makers have expressed renewed enthusiasm for the imposition of a national minimum wage.

According to media reports, government, business and organised labour have agreed that what SA’s labour market regime lacks most is a statutory minimum wage applicable in all sectors and all markets. All that needs to be determined is its initial value: business thinks this should be about R1,800 a month; labour wants something between R3,500 and R4,500 or higher, according to newspaper reports.

Nothing indicates better the government’s willingness to downgrade the urgency of the (much harder) challenge of mass employment than its receptiveness to constituencies arguing for a high national minimum wage. As usual, the unemployed and small firms are not directly represented in these negotiations. Their concerns

that an unrealistically high minimum wage will reduce growth and intensify job destruction are not "the voices" being heard.

The National Economic Development and Labour Council negotiators under the chairmanship of Deputy President Cyril Ramaphosa have appointed a committee of experts to advise on the level at which to set the national minimum wage.

Advocates of a high minimum argue that setting it at R4,000 a month or higher poses little risk to the economy, with some claiming this will even accelerate economic and employment growth as household spending power increases.

This might be true if the lack of demand for workers was temporary, the result of a deficit of aggregate demand for which Keynesian responses were appropriate. But SA's growth problems are structural: we have too few skilled workers and too many costly constraints on business for an injection of consumer spending to translate into growth. However politically seductive in the short term, stimulating demand by raising minimum wages will not tackle these deep structural deficiencies.

It is therefore unhelpful to import the results of empirical analyses of minimum wage increases from societies in which employment rates are high, and where the ratio of statutory minimum wages to average wages (or to GDP per capita) are much lower than would be the case if a high minimum wage were set in SA. Using those results to suggest that effects on unemployment will be marginal is a misleading and selective use of available evidence.

At a minimum, any substantial contribution to the minimum wage debate should make its case relevant to SA's growth and unemployment statistics. Perhaps proponents of the claim that a minimum wage set at above market clearing levels can produce growth can provide evidence from a country where a third of the workforce is unemployed. But they haven't done so yet.

Of course, there will be many people for whom a higher minimum wage means improved living standards. However large this population, and however significant these benefits, there are far many more people for whom it would represent a serious threat to their prospects.

Suppose, for example, that you are a driver on a marginal taxi route and your salary meets the existing sectoral minimum of about R3,200 a month. A significant rise in your wages must mean that there is at least some prospect that your boss will consider cutting back your hours or ending your employment altogether. Alternatively, he may decide to forego new tyres or the new brakes the vehicle needs. Or he might pass on your higher wages to his passengers, in which case, your increased wages come at the expense of reducing the purchasing power of your passengers' wages.

None of these outcomes is an unambiguous good. Indeed, the only plausible way higher wages would not have one or more of these negative effects is if taxi drivers' increases came out of the profits their bosses made. Is this plausible? Perhaps. But highly unlikely. Everything depends on the market structure of the taxi industry: if there is a lot of competition and margins are slim, jobs will be lost and services and/or safety will be cut; if there are local monopolies with profits to match, services may be cut less, but fares will rise.

The bottom line is that the effects of a steep rise in minimum wages will have complex effects, not all of which can be modelled with existing data. Whatever pain there is to be felt, however, is going to fall somewhere. In all likelihood, it will fall most heavily on those least able to endure it: those looking for jobs, those who cannot afford higher prices and those in employment that is already marginal.

In a country with mass unemployment, proponents of a high minimum wage are playing dice with other people's lives. SA's struggling economy already suffers from adverse conditions and policies that encourage the replacement of labour with machines. A high (and doubtless rising) minimum wage threatens the viability of firms, will lead to the destruction of existing jobs and the failure to create new ones, all of which will increase unemployment.

A high national minimum wage contradicts the logic of other government policies and programmes.

Firstly, government has just renewed its commitment to subsidise the employment costs of young workers if they earn less than the minimum tax threshold. A policy that costs the state R3bn a year. If wage costs didn't matter for job creation, this is a subsidy that makes little sense, or there would be no reason why lowering the cost of employment would increase the number of young people finding work.

Secondly, the state has gone out of its way to ensure that, since its inception, the expanded public works programme pays wages far less than what is permissible in most other sectors. Minimum wages on the programme are about R80 a day at present, about half of what organised labour expects of the national minimum wage. If these wages had to rise to meet the new standard, government would be able to create far fewer "employment opportunities" than it has promised.

Given the stakes involved, surely government's primary duty is to protect the interests of the nearly 9-million people who are unemployed, most of whom have endured substandard education, whether before or after the end of apartheid? Critically, these are not the voices that have been raised in support of a high minimum wage. In fact, they have not been asked.

Redistribution confined to those already employed does little for inclusion. At this time of economic crisis and an accompanying employment "bloodbath", SA cannot afford a high minimum wage.

The goal should be increased growth and employment. This requires action on other fronts, not the raising of minimum wages to levels at which employment becomes commercially unviable. Setting wages too high will mean unemployed people's prospects of gainful, salaried employment would be reduced yet further.

• *Bernstein is head of the Centre for Development and Enterprise.*

<http://www.bdlive.co.za/opinion/2016/09/07/setting-a-minimum-wage-will-lead-to-more-unemployment>
