

New Agenda asks COSATU: What is the state of our nation?

The view from COSATU

Ben Turok wrote in *New Agenda* **five years** ago: “Economic crime is at a ‘pandemic level’ in South Africa ... asset misappropriation ... procurement fraud ... bribery and corruption ... As much as we applaud the anti-corruption stance of Pravin Gordhan, our brave minister of finance, we seem to be running up an escalator that is quickly moving down – a modern version of Sisyphus.

“The harsh reality is that corruption has seeped ... into all three spheres of government. ...the top layers of government have signalled that looting and cronyism are okay ... opportunists and tenderpreneurs have abused

government procurement processes to feed fat pockets...¹

Five years on, and *New Agenda* asked for comment from Tony Ehrenreich (former COSATU Western Cape Regional Secretary) and Matthew Parks (COSATU Parliamentary Coordinator).

NEW AGENDA:

What is organised labour’s viewpoint on the persistent and pervasive corruption that South Africa is seeing in its Alliance partner, the ANC?

TONY EHRENREICH:

The widespread corruption in South Africa in the public and private sector has undermined the project of building a united society to confront the challenges ➤

of the past. This corruption has been pervasive and entails huge amounts of money in the private sector, public sector and government political leadership, as well as in civil society organisations. The architecture of South Africa's transition from Apartheid to democracy has created the environment for the political leadership to get caught up in corruption, as their greed is revealed.

This corruption has consumed the ANC and dented its credibility and the only way for the ANC to restore itself is to jail the corrupt. Failure to act decisively against the corrupt will see the ANC lose the popular vote of the people in South Africa given labour's deep unhappiness with the widespread corruption and its desire to see the corrupt prosecuted, as they mainly steal from the poor. If the ANC is seen to protect the thieves or act softly against them, then COSATU would have to work in a way that may see the ANC lose power, so the corrupt go to jail. The societal outrage against corruption and the revelation that so many in the ANC are involved in corruption will be a key issue in the next election.

The only way for the ANC to survive is to prosecute the corrupt, urgently and decisively, lest it loses at the polls and then becomes incapable of directing the transformation of society. The commissions and investigations are no longer acceptable to society. What we need is decisive arrests and convictions. The lifestyle audits must be done and everyone unable to justify the source of their obscene wealth must be prosecuted to the full extent of the law.

If the Alliance is to survive and lead the transformation in society, then we must, as a matter of urgency, address the corruption that plagues our country. We must, however, also address the moral corruption that sees the levels of inequality deepen under an ANC government. This would require a complete review of the wage gaps that exist and the perks and salaries of political leadership.

NEW AGENDA:

On 7 October 2020, COSATU went on a nationwide general strike with SAFTU (which is a NUMSA-aligned federation). This was in response to ANC corruption and the COVID-19 induced jobs bloodbath of 2.2 million. Mounting corruption cases in the ANC have highlighted the deep crisis of the party. Does cooperation with SAFTU, while distancing itself from the corrupt ruling party, not suggest this is really now the time for COSATU to reconsider the Alliance?

MATTHEW PARKS:

COSATU is a members' mandating and democratic organisation. We receive our mandate from our members. Our affiliates at each congress have reaffirmed COSATU's Alliance with the ANC and SACP. Only a congress could review or amend that.

Yes, there are many problems with the ANC. It has to cleanse itself if it hopes to survive and retain the confidence of voters, including workers. The ball is in its court.

However, no other political formation exists in South Africa that speaks to the demands of workers, except the ANC. Yes, there are huge problems but equally on many fronts workers' demands have been won through COSATU's alliance with the ANC.

SAFTU issuing a statement in support of a COSATU strike would not warrant COSATU to cancel its Alliance with the ANC.

COSATU has always championed the unity of workers. We have worked closely with FEDUSA and NACTU, which are not part of the Alliance. If SAFTU wants to work with COSATU, we would welcome that. Just as we [welcome] support that we received from other organisations for our strike.

NEW AGENDA:

Does the general strike mark a shift in relations between COSATU and SAFTU? What can be expected moving forward as areas of collaborative action?

MATTHEW PARKS:

That remains to be seen. We hope it will. The unity of workers was the central platform upon which COSATU was founded. COSATU's position remains one industry, one union, one country, one federation.

This is not a once-off event. Unity takes time and concrete programmes. From our side we have always supported the unity of workers.

NEW AGENDA:

There appears to be a concerted leaning towards continued austerity to respond to the crisis in the economy and long-term impacts of the pandemic. What kinds of demands is COSATU supporting? For instance, are there demands for a wealth tax, debt cancellation, increased public spending?

MATTHEW PARKS:

COSATU has continuously tabled detailed proposals to Parliament, Nedlac and the Alliance, and in public, on how we believe the state, State-Owned Entities (SOEs), the economy and the country can be fixed.

Yes, the tax regime needs to be more progressive, remove loopholes, crack down on tax and customs evasion, shift the burden to the rich and away from the poor. This would include elements of a wealth tax, for example on inheritance and estate duties.

However, there is little point in increasing taxes if the massive holes in the state, for example corruption and wasteful expenditure, are not fixed. Otherwise whatever is raised will simply be stolen.

Banks and other lenders should provide solidarity and ease debt burdens on consumers, businesses and the state, for example through reducing interest rates, extending payment periods, reductions and cancellations.

COSATU believes that a reckless austerity programme will suffocate the economy when it needs to be stimulated. Yes, finances are extremely



limited but [they] are available.

This includes eliminating corruption and wasteful expenditure, further capacitating SARS [South African Revenue Service] to crack down on tax and customs evasion, reprioritising existing budgetary allocations in support of economic investments and job creation, rebuilding the SOEs so that they cease to be a burden to the state and mobilising private sector investment, especially in infrastructure.

NEW AGENDA:

What kinds of alliances and strategies are needed now to respond to the numerous challenges facing workers and society?

MATTHEW PARKS:

2020 has shown the need for unions to adapt to the new normal. Old methods are not sufficient. Workers are likely to face a flood of retrenchments and wage cuts. Unions need to develop strategies and programmes that provide clear alternatives to retrenchments as well as stabilise and grow their sectors of the economy. Unions must ramp up their recruitment strategies and forge tighter alliances with other unions.

Unions must drive the development of social compacts with government and business as this is the only way to solve the many challenges facing workers and society.

NEW AGENDA:

Remember COSATU’s “September Commission” scenarios of 1997.² Turns out they were right on with the middle scenario – called ‘Skorokoro’, except that they came to a head in 2019 rather than 1999. Is South Africa now the Skorokoro nation COSATU envisaged? Any comments?

MATTHEW PARKS:

Sadly yes, we are at the fork in the road where that is a distinct danger. It is up to all of us to work to prevent that from happening. Or we will all face the consequences.

Editor’s note – Key features of COSATU’s ‘Skorokoro’ scenario

In the Skorokoro scenario there was some economic growth and modest delivery. The main features were, on the one hand, increasing social fragmentation and conflict, and on the other hand, the rapid self-empowerment of black business and the black middle-class. South Africa was pictured as a Skorokoro zigzagging from problem to problem.

Some houses and some jobs were created, but unemployment stuck at 30%. Despite these problems, there has been rapid emergence of black business in these years, and the expansion of a black middle-class. Newspapers are filled with reports of new millionaires, new corporate deals and high salaries of government officials and consultants.

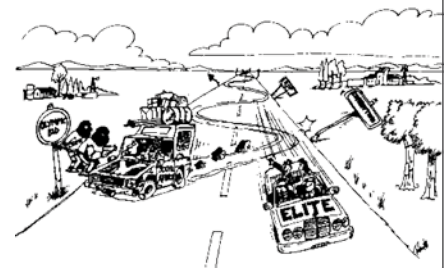
Ethnicity, racism, provincialism and regionalism become very powerful as

a result of lack of delivery and conflict over resources. This makes it even more difficult to deliver. Patronage and corruption become the order of the day in government and in civil society.

On the ground there is a lack of cooperation and violent conflict in communities and on the shop floor. The rainbow nation does not exist.

The ANC zigzags from policy to policy. It announces privatisation, but backs down when workers take mass action. It announces a crackdown on corruption and crime, but takes no firm steps. It proposes a new tax on the wealthy, but changes its mind when they protest that this will discourage foreign investors. It regularly announces new measures to transform the public service, but keeps changing its policies under pressure from various constituencies.

There are repeated calls by business, other political parties and the press for the Tripartite Alliance to end. While



many leaders in the ANC think this would be a good idea, the dominant view is that breaking the Alliance would undermine support for the ANC and worsen the divisions in society.

In their secretariat report to the COSATU congress at the end of 2003, the federation’s leadership states that there is a social crisis in South Africa: “The government lacks a vision of where we are going. There is no leadership in civil society. We are rapidly becoming a Skorokoro society, and we face the danger of becoming a Skorokoro union movement as well.”

ENDNOTES

1. Ben Turok. 2016. “Dangerous Times,” *New Agenda* editorial comment, First Quarter, Issue 61.
2. A Commission of Inquiry was appointed by COSATU in 1996, headed by Cde Connie September, to assess the trade union

movement’s position in relation to changes in the labour market. The Commission reported in 1997, beginning with three scenarios to explore uncertainties and provoke discussion within the federation about the future of labour. The three scenarios were called The

desert, Skorokoro, and Pap, vleis and gravy. You can read the three scenarios here: <http://mediadon.co.za/wp-content/uploads/2019/09/The-Report-of-the-September-Commission-Chapter-1.pdf> **NA**