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#### Editorial—Crawling our way out of the pandemic 'Government is ignoring us', say informal traders A video interview with JITP leader, Lulama Mali A mixed bag of fruit An interview with COSATU parliamentary coordinator, Matthew Parks on the 2018 Job Summit decisions and the ERRP **Old Wine, New Bottle: The ERRP** SAFTU spokesperson, Trevor Shaku, gives his organisation's views 'Bring vaccination sites to taxi ranks' A video interview with Clement Doncabe, a taxi driver leader from **ONTWA** Support needed for decent care labour in SA's health system Khwezi Mabasa highlights several problems **Rights without rights** Domestic workers continue to be harassed, says Amy Tekié A BIG ask A BIG is just one thing that must be implemented after the July 2021 Destruction, says IEJ's Neil Coleman The sparks that lit the tinderboxes Jenny Grice sums up various analysts views of the July 2021 unrest Government's EPWPs need a new focus EPWPs should be structured better, says Thabiso Modise Temo ke lehumo (Agriculture is a treasure) Women farmers in Limpopo are getting on with producing food despite Covid-19 challenges says Mmathapelo Thobejane Partnering to tackle youth unemployment Jenny Grice outlines key government programmes to try and get young people working NUMSA adapts to Covid-19 Vanessa Le Roux interviews NUMSA Western Cape regional secretary to find out what the union has done to adapt to Covid-19 Whatsapp voice notes mobilise home-based workers Vanessa Pillay explains how new technology is helping FRIEDRICH home-based workers keep connected and mobilised EBERT **STIFTUNG**

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Steve Faulkner remembers community artist, Drew Lindsay, and the numerous artworks that he has created

Cover image: Seriti

SA Labour Bulle-

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#### The South African Labour Bulletin's mission is to:

 Provide information and stimulate critical analysis and debate on issues and challenges that confront workers, their organisations and their communities; and

 Communicate this in an accessible and engaging manner.

#### In so doing the SALB hopes to advance progressive politics, promote social justice and the interests of the working class.

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**South Africa** 

### **Editorial**

### **Crawling our way out of the pandemic**

This issue is being published in the midst of a global pandemic which has caused huge damage across the world, particularly to workers and the poor. The <u>last issue</u> of the South African Labour Bulletin spotlighted how different sectors of workers were affected by the Covid-19 lockdown.

### What's happened to government promises?

Hopes were high that government's promised R500bn relief package of support that it announced in April 2020 would cushion the effects of the devastating pandemic and reboot the economy. However, according to the Institute of Economic Justice's (IEJ) Covid-19 Response, Policy Brief #4 it can be seen that by July 2021 (pp3-4), only R207bn, or 41% of this had materialised. The worst performer was in the job creation and protection area as well as the Credit Guarantee Scheme, two areas which are in dire need of support. Some of our stories tell us the effects of this failure.

Lulama Mali, from the Informal Street Traders Organisation tells us their members have received nothing from government during this hardship.

At a higher level <u>Matthew Parks</u> from COSATU outlines the frustrations and sometimes small advances made in government forums where government's Economic Reconstruction and Recovery Programme (ERRP) and the Jobs Summit agreements are monitored while <u>Trevor</u> <u>Shaku</u> from SAFTU sees no hope in government's plans likening them to those of "a mad man" who keeps "repeating the same strategy in the same environment but expect[s] different results".

Government must bring vaccinators to taxi drivers at taxi ranks just like they did for other essential workers like doctors and nurses says <u>Clement Doncabe</u> of the Qina National Transport Workers.

Needless to say, other ongoing problems that were there before the Covid-19 pandemic remain. <u>Khwezi</u> <u>Mabasa</u> bemoans the continued staff challenges faced in the health sector while pointing out that Covid-19 has heightened the inequalities between public and private health care.

Little has changed for domestic workers says <u>Amy Tekié</u>. They still suffer under employers who disregard their rights.

#### What next?

The unrest and destruction that followed the imprisonment of Jacob Zuma [in July 2021] has complicated the economic recovery and made people poorer. If economic recovery is going to work, it must include a Basic Income Grant says Institute for Economic Justice's <u>Neil Coleman</u>.

Jenny Grice reports on the views of a broad range of analysts on the July unrest. What needs doing to avoid a repeat of these events? What do you think?

Turning to the more positive aspects of recovery going forward, <u>Thabiso Modise</u> suggests possible ways in which the government's Expanded Public Works Programmes could be improved to better workers' chances of more permanent employment while agricultural worker <u>Mmathapelo Thobejane</u> explains the resilience of rural women in Limpopo who are improving their farming yields despite no help from nearby mines.

Partnerships on the youth front promise to bear fruit says Jenny Grice with ambitious plans to get youth employed by tinkering both with the supply-side and demand-side of the labour market but are they just good on paper? Let us know your experiences.

#### How workers are adapting

As far as trade union organisation during the time of Covid-19 goes, **NUMSA's** Western Cape regional secretary, Vuyo Lufele, outlines how they've attempted to overcome organisational challenges of gathering mandates for centralised collective bargaining.

<u>Vanessa Pillay</u> details how WhatsApp voice notes have brought hope and mobilisation to home-based workers in Uganda and South Africa in the face of Covid-19 restrictions and hardships.

SALB mourns the passing of community artist Drew (Andrew) Lindsay. <u>Steve Faulkner</u> remembers a remarkable soul.

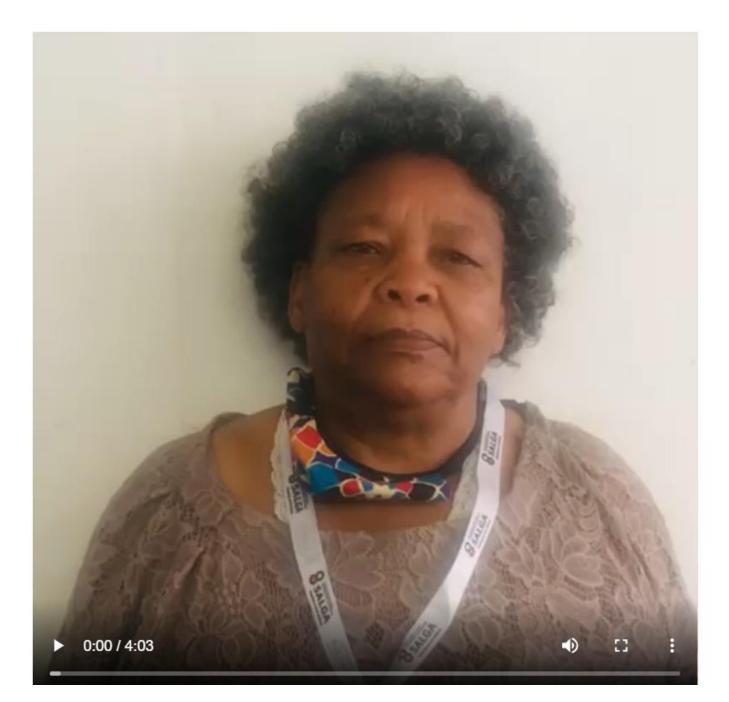
We welcome any comments on the articles in this issue. E-mail: <u>edi-</u> tor@southafricanlabourbulletin.org.za or <u>click here</u> or post to our Facebook page <u>https://www.facebook.com/</u> <u>LabourBulletinSA/</u>

The next issue will tackle the issue of the Just Transition. Contributors are welcome to send articles. Deadline November 17.

> Jenny Grice, Guest Editor Sandra Hlungwani, Social Media Manager

# "Government is ignoring us," say informal street traders

In this <u>video</u>, Lulama Mali of the Johannesburg Informal Traders Platform (JITP) speaks to Sandra Hlungwani about the difficulties they faced at the beginning of the pandemic and how the promises that government made were not forthcoming. Since Mali was interviewed, the SA Local Government Association (SALGA) has called a meeting with JITP, provincial government and municipal representatives where a declaration was adopted. Watch this space.



## A mixed bag of fruit

### **Delivering on the Presidential Jobs Summit and ERRP commitments**

SALB interviewed Cosatu's Parliamentary Coordinator, Matthew Parks, to find out what happened to the <u>2018</u> <u>Job Summit</u> decisions and how these relate to the government's Economic Reconstruction and Recovery Plan (<u>ERRP</u>).

Are the job summit decisions of October 2018 still relevant or have they all been swept under the carpet because of the Economic Reconstruction and Recovery Plan (ERRP) adopted by government in October 2020?

Yes and no. There were a lot of good positive details in the 77-page job summit agreement, with a lot of specific interventions. Each social partner be it government, business, labour was meant to come with specific interventions that they could deliver on.

### Was the job summit agreement implemented after it was signed?

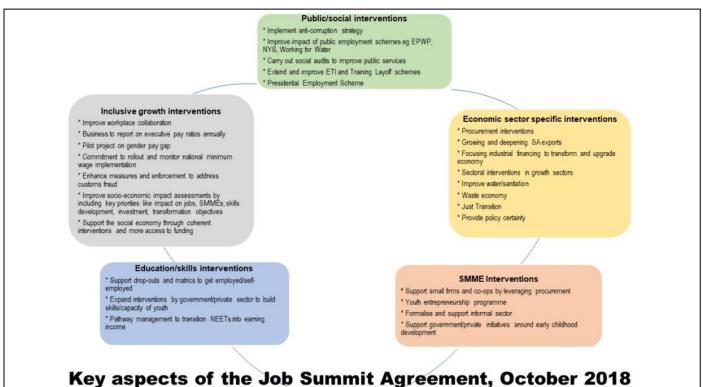
We got quite frustrated. It was signed September 2018 but by mid-2019 we were seeing very little progress in it. Government, business were just not implementing, some were not even aware of the agreement.

For example, it agreed to establish a Presidential Climate Change Coordinating Council and to house this in a Climate Change Bill, a very simple thing. When the Bill came to Nedlac the department was unaware of this commitment, and we had to then fight for about a year to get that commitment inserted in the Bill which was a really simple administrative issue.

So on more substantive agreements, government and business were just ignoring them, they weren't bothered. We threw our toys out of the cot, escalated it to the President, said this thing is going to die if you don't make some intervention. We then started holding monthly meetings with the President, Presidential Working Committee (PWC) at Nedlac. [We would meet] on the first Monday of each month at 7am for 2 hours to get quick things sorted out.

We were seeing some progress, holding ministers and officials to account, putting pressure on business. We started getting the water licensing issues sorted. Where before it would take you 3 years to get a water licence which is important for mining and agriculture, we got it reduced down to 90 days. We got a one-stop online portal for companies to register for CIPS, SARS, UIF, COIDA etc.

That 6-month phase was beginning to gain some momentum. And then Covid happened and we went into a lockdown.



Source: Job Summit Agreement, 2018

### How did Covid-19 and lockdown affect the whole process?

We thought we need to be fair to the President and give him space to focus on the pandemic. All of us were in lockdown for 2-3 months, everybody was in the dark. The PWC has not met since that time and it seemed more and more that government and business were not bothering with the presidential job summit agreement commitments.

### Was labour doing its bit and adhering to its commitments?

Look we also had our hands full responding to the pandemic, to the lockdown, we got quite involved in the economic and social relief measures given the response to the lockdown, from the UIF TERS, the R350 grant, increasing the social grants, sectoral relief, tax relief for businesses etc. so those also kept us quite busy.

#### What other issues was the pandemic bringing to the fore?

From August 2020 it was obvious that this [pandemic] was going to be with us for quite some time, [and that] we did need to have a broader reconstruction plan to rebuild the economy. We had had discussions in the Alliance, [we] adopted a Covid-19 discussion paper, unfortunately it became quite long and convoluted. We were much more keen on immediate interventions that can kick-start the economy, save jobs or create jobs, practical stuff that you can do within a month, 2-3 months, not 5-10 year projects.

We started having engagements at Nedlac around some immediate relief. Can we just survive today, also try and survive tomorrow and make the day after and include some medium to long term interventions to get the economy moving?

On a positive level, we concluded the Economic Recovery and Reconstruction Programme (ERRP) fairly quickly between August to October 2020. The one worrying part was the lack of detailed time-frames and financial commitments from government on many of the commitments. But look we were just hoping to get things moving quickly.

### What are the key components of the ERRP?

The ERRP has basically 4 major workstreams: energy security, transport and freight, local procurement, SMME funding.

# How did you make sure that the jobs summit decisions were not ignored in the ERRP?

Business wanted to just move on from the job summit agreement. We didn't want to do that because we felt that many of the [job summit] issues are still relevant and would have a positive impact on the economy if you could do it. So, you might need to do a bit of reprioritising given the pandemic, the lockdown, but it doesn't mean the validity of those commitments isn't still there.

[Each of the 4 major workstreams of ERRP] are allocated different parts of the job summit agreement to focus on. And then each of these work streams meets once a month and then you have the departments, business, labour come and report on what are they doing on each of them to get things moving.

#### And the fact that the job summit decisions have been put under ERRP, is that promising?

It was a major point for us, we can't abandon those commitments, it may mean we reprioritise given the pandemic.

### In your view, what is the biggest achievement so far?

The biggest one is the Eskom Social Compact. We had drafted it as CO-SATU in October 2019 and then tabled it at the lekgotla of the ANC in January 2020 and then Nedlac in February 2020 and got it adopted in December 2020. That's being implemented. There are some positive things there.

You would know how deep the chal-

lenges are within Eskom on many fronts, but I think we are seeing some green shoots there but that's going to be a decade plus transition on many fronts. But I think there's going to be a need for more painful discussions, Eskom is broke and we've got to invest 100s of billions of Rands to build new generation capacity in the next decade as a third of the existing Eskom generation capacity comes off grid.

#### What's happened around local procurement?

We were trying to look at gamechanging momentum interventions where the big mining companies, Department of Health, Department of Correctional Services and some of the big procurers like Eskom and Transnet can [procure locally] and help to move the needle. I don't think there's been enough progress on that front.

We also wanted to target [local procurement] specifically for large items like cooking oil for the fast-food industry, cement for the construction industry and get local procurement commitments for retail, clothing and look at the motor manufacturing sector to ramp up components for local procurement.

#### And freight and public transport?

We thought if we can get Transnet freight working, Transnet Ports Authority (TNPA) working we can get our exports on time to the local markets and to the foreign markets and I think you would know how badly the ports are bleeding. We are seeing the effect on exporters and even local manufacturers, in all sectors. I think there is a little bit of movement in that regard in the ports but not much on freight rail.

Many workers preferred Metro Rail because it is a subsidised, affordable service and it was a reliable form of transport. But even before the pandemic, constant delays because of cable theft etc. and of course the fires in the train carriages on Metro Rail would result in workers coming two hours late for work every day. [A dysfunctional rail network has] huge consequences for workers: not getting to work on time, losing wages, discipline issues and for the company, [declining] productivity.

There's been very little movement on Prasa, Metro Rail. We are just watching a train wreck in slow motion. We are witnessing the death of Metrorail in the cities.

### Give us more detail around the death of Metrorail.

The Langa train station in Cape Town has been inoperable since about May/ June 2020 – we've seen no actual movement to get it working again. If you lose Langa because there is a squatter camp built on top of the train lines, that is the Cape Flats Metro line gone, your lines to Mitchells Plain, to Khayelitsha, to Belville etc. are gone.

Now you get a bill of R40m to rehabilitate Langa Station's lines, but they don't move with speed so the decay continues. And of course, when those lines are not working, those stations, those lines are also being stripped as well. It's not an easy thing to steal cables, it takes some effort, you need a bakkie etc, it's not that difficult to deploy people on the ground.

You get a lot of reports about inside involvement by the security companies themselves or individuals who are involved in this copper theft. There have been a couple of people who have been sent to prison and about 6 years ago there was an act passed in Parliament, Criminal Matters Amendment Act.

If you're a syndicate you'll get like 30 years, the guys that are stealing it might get 2 years, people are being put in prison with the act. But very few people will ever be arrested for it and when you talk to people at Metro Rail, they are convinced that it's inside jobs, whether it's security companies or somebody else.

I think in the last few years about 100 carriages were destroyed in fires. That's deliberate sabotage, who carries that level of petrol around, who is able to break through the security and destroy? A train carriage is not exactly flammable, it's not a piece of paper that you can just light with a match. It doesn't make sense, who benefits from burning a train carriage?

#### What power does COSATU have to put pressure on Prasa/Metro Rail?

We meet with Transnet and Prasa once a month at Nedlac. They give us all the glossy PowerPoints, all the strong language saying they are doing this on cable theft, doing this to rebuild the train lines etc., but I don't see much by SAPS or by Metro Rail or Transnet.

The unions across federations have long been calling for the deployment of the police, the revival of the railway police unit, the deployment of the SANDF (the police don't have the time right now) just to secure the lines but there's no movement.

#### What needs to be done from the unions' side to make unions more effective at monitoring and pressurising government and business?

There are a lot of victories that we managed to secure – R60bn from the UIF fund going to 5,5m workers but I see very few unions actively monitoring compliance making sure employers are registered for UIF, making sure workers deductions are paid to UIF. Some unions like SACTWU are actively involved in that.

SACTWU would have regular meetings with UIF and factories – 'these haven't received, what's the process, what's needed, what's missing' – they would do it and get things through, it's painstaking work but they would do it. It's a drain on their time too but it's beneficial and it shows their members why it makes sense to join a union.

I think if all unions did that you wouldn't have 5m workers not registered for UIF – it might be 3m workers, or 2m. It's an easy propaganda tool for unions to say why workers should join – it affects your bank balance.

Then there's blowing the whistle on corruption, many of our shop stewards have done that and often have paid with their lives. In Limpopo some of the SAMWU shop stewards were murdered for blowing the whistle on VBS; we need more to blow the whistle.

On the local procurement front we need to do much more as unions to help drive local procurement. We struggle a bit on that front; it's a bit of a psychological, cultural shift we need to do, to say okay as unionists when we buy our t-shirts, our furniture, our cars - can we make sure they are locally produced. It's a small amount, a change of mindset, every little bit helps but at a more critical level it's about ensuring that the workplaces where the unions operate, or the bargaining councils or the sectors, they also drive local procurement. Then you could have a more positive impact.

POPCRU could make sure that in correctional services, all the uniforms and food is locally produced – it houses almost 200 000 inmates, the same thing at basic education – can Sadtu make sure that all the school uniforms are locally produced. Sactwu has long championed it but has cascaded it to other unions, but also many unions do have some significant investment funds.

We are trying to chase that up and get each union to appoint a local procurement champion, give us monthly reports of what they are doing, not just COSATU, but FEDUSA, NACTU. FEDUSA gave us a report with a breakdown on how they have committed to spend locally, what are the goods, which company sectors, we need to also take it up to a much higher level too, instead of just expecting government and business to do everything for us.

[And where workers live] you have these election manifestos but most of our unions and structures don't hold government to account for implementing it. So you sit in a municipality in Ventersdorp but you are not holding the mayor accountable for what they're doing under the manifesto commitment: 'ja do whatever you want and we will just complain when you misbehave'. Instead of asking, 'What have you done on this front, on local procurement, restoring basic services to attract companies to come back?' You saw the case in Lichtenburg where Clover shut down? That's a tiny town, Clover had 200 jobs which is devastating to that town.

### Have unions thought how they could create more jobs in their sectors?

I don't think they've given sufficient attention to that. We have more discussions about decent work, what are the components to it. We deliver on paid parental leave, we improve paid maternity leave benefits but I don't think on a practical level we have given that much thought at a sectoral level. Some unions are very advanced, leading discussions in their sectors, others are just not part of the discussions, they are passengers or bystand-

#### ers.

To be fair to the unions, it's difficult for them, they are on the back foot in many regards – the clothing industry is constantly under pressure from imports, retail is under pressure from automation, the mining industry from automation but also general retrenchments.

But having said that, it will become more difficult as the 4<sup>th</sup> industrial revolution (4IR) gains momentum, especially when you are in an economy with 44 per cent unemployment levels. It's going to affect young people, women, white collar as well as blue collar [workers], rural areas, some jobs will just be lost. I'm not sure if we are giving enough attention to splitting those jobs which can be gained, some jobs will be lost, there's nothing you can do about it, but split other job opportunities to offset those losses and absorb those workers.

The post office can't survive in its current mode so then what does a future post office look like, what does it do? Thinking that it's going to post letters then you might as well just close it now, it can't do that, it's dead, but it could become useful in rural areas, townships, if you combine it with a post bank with other functions like getting your ID, a birth certificate, affidavits, applying for social grants, it could become a government multipurpose access point. But I'm not sure if we've given sufficient attention to each of them.

There's progress but there's significant chaos too - it's a mixed bag of fruit.

# Old Wine, New Bottle: The Economic Reconstruction and Recovery Plan

A year after government's Economic Reconstruction and Recovery Plan (ERRP) promised to stimulate equitable and inclusive growth in order to 'tackle the historical structural inequalities, unemployment and poverty', it's 'failing dismally' says **Trevor Shaku**.

### The continuity of the neoliberal economic framework

<u>ERRP</u> identified several areas of *intervention*, key *enabling elements* and *reforms* to be introduced to bring about the economic reconstruction and recovery.

These are meant to deepen and advance the vision and objectives of the 2012 <u>National Development</u> <u>Plan</u> (NDP) policy framework, which aimed to grow the economy at an annualised rate of 5.4%, reduce unemployment rate to 6%, reduce inequality to a 0.60 Gini-coefficient (which would still be among the world's worst) and totally eradicate poverty. The NDP was a continuation of the neoliberal dogma first laid in the economic debates during the transition from apartheid. This was implemented through the <u>Growth, Employ-</u> <u>ment and Redistribution</u> (GEAR) policy in 1996 and continued in 2003 with <u>Accelerated and Shared Growth Initiative for South Africa</u> (ASGISA).

These policies are all premised on Washington Consensus policies that assume GDP growth will be a driver of social development and job creation. In reality, the low-quality growth achieved since 1996 was accompanied by extreme de-industrialisation (manufacturing GDP was nearly halved), worsening inequality, soaring unemployment and overwhelming levels of poverty which if measured properly with an adjusted Upper Bound Poverty Line would exceed two thirds of our population.

Due to these policies, government capacity to provision public goods and services was hollowed out. The fiscal framework has turned to such extreme austerity that in February 2020 with the world's worst-ever pandemic looming, the Finance Minister cut the health budget by R4 billion and yet in 2021 he proceeded to cut corporate taxes rather than increasing them to raise tax income. The liberalisation of trade caused extreme disadvantages to domestic manufacturing, as East Asian imports (produced by repressed workers under terrible environmental conditions that externalised the cost of pollution, including greenhouse gases) led to massive job losses in this country.

Throughout, consistent with "attracting Foreign Direct Investment" (FDI) as a central policy goal, multinational companies were given all manner of subsidies: there was deregulation of finance, including the relaxing of exchange controls. All of these measures maximised both capital flight and illicit financial flows to the point where even Treasury admits that up to 7% of GDP is lost annually. Moreover the South African private sector is not to be trusted; PwC ranks SA corporations as tied for second most corrupt in its biannual economic crime rankings.

In short, trade and financial liberalisation left domestic manufacturers unprotected against multinational corporations, cheaper imports and capital flight. The result was, according to Sampie Terreblanche, the destruction of the local footwear, clothing, textile, appliance and electronics industries.

Promoting FDI remains a key element of pro-capitalist dogma, dating from Portuguese slavers and the Dutch East India

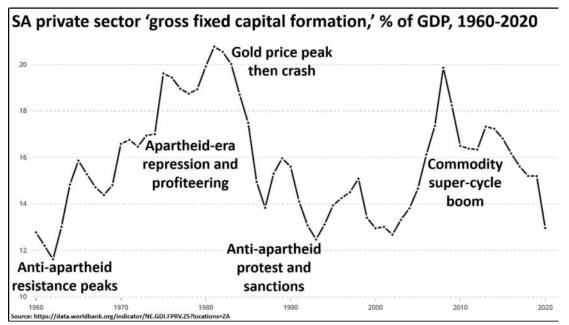
Company in 1652, to the 20th century Guptas' Sahara Computers which came from Saharanpur India in 1993, followed by many other infamous firms that have corrupted and underdeveloped South Africa. Without a sense of irony, the learned economists and neoliberal strategists still blame lack of industrialisation on the failure to attract FDI. This despite the third world which is littered with a trail of destruction in the wake of the neoliberal-inspired structural adjustment programmes, at the heart of which was FDI which removed far more in profits than were left behind.

Far from developing our countries, these companies have been responsible for the illicit financial flows that are costing Africa over R1.3 trillion annually, or the R1.5 trillion in what even the World Bank acknowledges is annual net loss from depleted mineral wealth. For example, the <u>AIDC</u> reported in 2019 that South Africa lost R1.7 trillion to illicit financial flows between 2005 and 2014.

Trade liberalisation optimised the conditions for multinational corporations to exploit especially natural resources of third world countries and accumulate wealth at the expense of domestic industries. The imperialist countries' FDI was joined by extractive-industry firms from China, India and other sub-imperialist countries. This alone is indicative that GEAR, ASGISA and the NDP, and now the latest reincarnation, the ERRP, will never 'tackle the historical structural ment of Zuma in 2018 could nudge the rate above 15% which is below even the replacement rate (i.e., factoring in wear and tear), indicating ongoing de-industrialisation.

Instead of looking at the behaviour of industry, bourgeois economists blame the political climate and labour regulations as hindrances to attracting investment. They claim that trade unions have disproportionate powers, and that the labour market and trade are overly-regulated. Yet this is disproven because business has a supportive government and new labour laws make strikes much harder but corporate fixed investment rates keep falling.

ERRP's appeal to foreign investors is therefore misplaced. In trying to



inequalities, unemployment and poverty' because they require attracting FDI instead of using the state to develop and protect local industries.

The proof of the failure of neoliberalism is seen in the rate of private sector investment ('gross fixed capital formation'). The peak during apartheid was 21% of GDP in 1980, after a low point when the 1960 Sharpeville Massacre dropped the rate to 12%. Protest and sanctions hit investment hard during the 1980s, but despite very little FDI take-up after liberation, a recovery in the investment rate finally occurred from 2002-15 due mainly to the commodity super-cycle. After that, private sector investment ebbed; not even Cyril Ramaphosa's replaceplease foreign investors, particularly via the New York credit rating agencies Moody's, Fitch and Standard & Poors, government imposes fiscal austerity. That means expenditure on public goods and services falls, in everything that matters: education, skills development, job creation, public infrastructure, healthcare and social security.

### Green economic intervention and energy production

Most importantly for future generations, we have a deficit when it comes to the climate catastrophe. And where we need to invest in renewable energy, there has been an engineered crisis at Eskom, caused in large part by sheer looting by the ruling party. This has crippled the power generator and given the neoliberals an excuse for rationalising, restructuring and privatising energy generation, leaving solar and wind at the whim of profiteers.

Plans to restructure Eskom by moving towards corporatization and then privatisation were laid in concrete terms in the <u>White Paper on Ener-</u> gy Policy in 1998, and further extrapolated in the <u>Accelerated agenda towards the</u> <u>restructuring of state owned enterprise</u> in 2002. The NDP also insisted that bringing in independent power producers had to be 'accelerated', and the ERR plan echoes this.

President Cyril Ramaphosa has tried to please his friends in business and accelerate the dismantling of Eskom's monopoly in energy provision, and so recently awarded private companies permission to produce up to 100MW. So, the engineered crisis and the resultant power cuts (loadshedding) are excuses to privatise energy more rapidly.

In spite of climate catastrophe and the likelihood South Africa will face crippling trade sanctions through the West's new Carbon Border Adjustment Mechanism climate tax, the Department of Mineral Resources and Energy (DMRE) has no plan to move away from fossil-intensive energy production. In fact, government is still far behind in meeting renewable energy targets. In the NDP, they committed to produce 20 000MW of renewable energy by 2030, yet only 8 131MW of renewable energy are on track, far behind the levels we require to decarbonise in time to avoid runaway global heating.

Even more worrying are the plans to gradually phase in renewable energy through the <u>Renewable Energy</u> <u>Independent Power Producer Pro-</u> <u>curement Programme</u> (REIPPPP). Based on this, such a transition will not be a *Just Transition* as envisioned by civil society and trade unions, but a transition just for business. Instead of protecting communities and jobs tied to the coal industry, there will be profiteering by mainly multinational corporates which will take advantage of the state's new-found desperation once climate taxes halt our carbonintensive exports.

#### Mass employment interventions

The ERRP committed to 'boost mass employment creation' through various initiatives amongst which was the aim to create 300 000 teaching and school assistants' jobs, protect 44 933 vulnerable teaching posts and support over 34 000 lives in the creative, culture and sport sector.

The 300 000 assistant jobs in schools were created in December 2020 to April 2021, and now have been opened again for 4 months from December 2021 to April 2022. This mass employment initiative is not created to alleviate poverty, reduce unemployment or address the climate catastrophe as needed. Instead, they are created to slightly stimulate consumer demand for business and are now used for electioneering towards the local government elections.

The main story, though, is austerity. The Department of Basic Education in KwaZulu-Natal has announced that attrition will eliminate 6 000 teaching posts. In the Eastern Cape, some schools have been closed and posts of teachers nearing retirement will be eliminated.

Likewise, in the creative, culture, arts and sports sectors, the National Arts Council (NAC) has mismanaged the diminishing funds meant to provide relief to artists and other creatives in the sector. The SA Roadies Association reported that <u>39% of the beneficiaries</u> were not related to the arts and creatives industry. Out of 2 486 applications the NAC received by January 2021, only 1039 applicants benefitted. The corrupt disbursement of these funds has led to a protest by artists that has lasted for over 2 months.

#### The crises are structural

Instead of getting better, economic and social conditions for workingclass people have gone from bad to worse: *economic growth rate* has averaged *below 3%* since 2012, *unemployment* has *risen* from 25% in 2012 to 34.4% in 2021 (36.6% to 44.4% respectively using the expanded definition), the *Ginicoefficient* is 0.63 with 10% of the population owning more than 85% of household wealth.

These figures provide graphic evidence of the failures to achieve the aims set out in the NDP. They certainly are not surprising to us in SAFTU because the fiscal and monetary frameworks are premised on limiting public expenditure.

Private businesses are concerned with profit maximization, and not reinvestment in productive activities. The real investor in infrastructure and greatest enabler can only be the state, but if its spending powers are limited by neoliberal fiscal restraints, it cannot play its role adequately as an enabler of economic reconstruction and recovery.

The inability to create jobs, eradicate poverty and close the inequalities in this country are structural. They are endemic to the distorted kind of capitalism we suffer in the neo-colonial world where multinational corporations are rapidly depleting our natural wealth.

Repackaging the same neoliberal structural framework of our economy from one policy to another, will not solve the structural problems. Like a mad man, economic policymakers keep repeating the same strategy in the same environment but expect different results.

This is because capitalism offloads and resolve problems it encounters in the capitalist centres by superexploiting the neo-colonies. We need a substantial break, a delinking from the most destructive circuits of global capitalism, beginning by imposing urgent exchange controls and rethinking the self-destructive reliance on FDI.

#### References

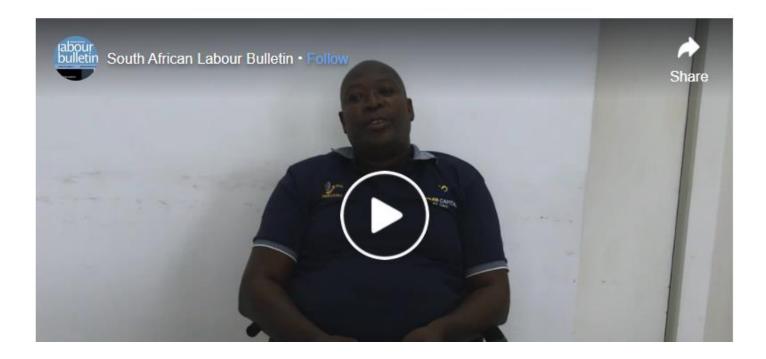
Sampie Terreblanche, Lost in Transformation: South Africa's search for a new future since 1986, 2012

Trevor Shaku writes in his capacity as the National Spokesperson of SAFTU.

# Bring vaccination sites to taxi ranks

Government is trying to up the numbers of people that have been vaccinated against Covid-19. In this video, taxi driver <u>**Clement Doncabe**</u>, explains how taxi drivers have been working as essential workers alongside doctors and nurses since the Covid-19 lockdown at the end of March 2020. But while nurses and doctors were the first to be vaccinated at work, taxi drivers are still waiting for vaccinators to come to taxi ranks. He says taxi drivers have no time to go to the clinic because they don't have days off. He urges the government to explore setting up temporary clinics or vaccination centres at taxi ranks.

**Clement Doncabe** is national secretary of Qina National Transport Workers Association (QNTWA). He was speaking to **Sandra Hlungwani**, SALB social media manager.



# Support needed for decent care labour in South Africa's health system

*The burden of care work and social reproduction falls on women, says Khwezi Mabasa, but despite the critical role women play, the way they are treated by the state is reinforcing inequality across class, race and gender.* 

**COVID-19** has highlighted several structural fault lines in the contemporary neo-liberal social order. It has shown the limitations of systemic inequalities across different human development areas, especially in the political economy. Several stakeholder representatives are discussing how Covid-19 impacted different sectors in the economy, with a specific focus on employment and business closures. This is understandable in a country with the highest unemployment and inequality figures, which deepen long-standing race, class, gender, and spatial development disparities.

Yet, the mainstream political economy debate underestimates one crucial factor: the importance of care work and social reproduction in essential human development areas like childcare, health, and social work. Neo-liberal policy prescripts and the limited focus on workplace or shopfloor labour limit society's support for care labour across society. I want to specifically point to several key shortcomings in the national health system, and the care labour



required to achieve equal access to quality healthcare as stated in the Freedom Charter and Constitution.

#### Understaffing

Firstly, the persistent skewed health worker and patient ratio that exists in our public hospitals and clinics. Several accounts from health workers' experiences during the pandemic highlight the negative impacts of staff shortages and vacancies on issues such as employee burn out. This structural human resource challenge started in the early 2000s, pre-dating Covid-19. It can be traced back to the public health budget cuts in the areas of human resource and health training institutes like nursing colleges.

Equally the quality and effectiveness of non-clinical support staff work (such as porters, security, cleaners etc.) has been negatively affected by outsourcing these functions to private companies. Several trade unions organising in the public health sector raise these issues sharply in their public health policy advocacy and engagement with employers.

Covid-19 highlights the outcomes of ignoring these genuine working condition grievances, which can only be resolved through changing social and macro-economic policies that currently cause budget cuts in public health.

#### **CHWs neglected**

A second, and closely related issue, is the minimal progress in expanding the size and quality of primary health care in communities. The proposed National Health Insurance (NHI) policy identifies Community Healthcare Workers (CHW) as the main policy implementers and drivers of an effective redesigned primary health care system. Yet, their employment status in our health system is largely atypical and exploitative.

Health sector trade unions still advocate for CHWs to be integrated into the public health system as direct government employees. But the government maintains its historical policy stance on this matter, which basically states that costs of public employment will be too high if CHWs are fully integrated as health workers in standard employment.

The result is low pay, no access to benefits, and limited employment security for CHWs. Gauteng's provincial health department absorbed 8 794 CHWs into formal employment last year. However, this is not sufficient because the country has 70 000 CHWs in total, and this figure amounts to half of what is required to effectively service all wards.

The recent budget cuts and challenges arising from employing CHWs in atypical employment explain the primary health care failures before and during the Covid-19 pandemic. Research proves that CHWs play a crucial role in alleviating communitybased health challenges created by pandemics like Covid-19 or Ebola. South Africa's NHI vision anchored around primary health care will inevitably fail if there is no decent work in the sector. Macro-economic and social policy frameworks need to be reformed so they create the decent health care work required for NHI.

### Inequalities between public and private health care

Lastly, society needs to address the long-standing structural inequalities between private and public health care in South Africa. Different civil society groups and trade unions highlight how the disparities lead to unequal access to health care. The clearest signs of this inequality can be seen in health service quality, infrastructure, working conditions, human resource numbers and health costs.

In addition, health system inequalities are closely related to the broader class, race, and gender disparities in South Africa. All these inequalities within SA's health system place an extra burden on care labour outside the workplace. This includes the unpaid care work undertaken by women who look after the elderly and sick in their own households or communities. The ILO states that 'women perform 76.2 per cent of the total amount of unpaid care work, 3.2 times more time than men'. Working class advocacy for decent health care work must accommodate the demands and experiences of women informal care workers in communities.

#### Khwezi Mabasa is Senior Researcher at MISTRA and SALB Board Member

\* The article is based on Mabasa's public health policy advocacy and training while he served COSATU.

# **Rights without rights**

#### The tragic consequences of informality in the domestic sector during the Covid-19 Pandemic

Statistics South Africa reported that over 25% of the more than 1 million domestic workers lost their jobs between April and June 2020. In April 2020, just a month into the very restrictive lockdown imposed by government, the Izwi Domestic Workers Alliance (Izwi) surveyed almost 600 domestic workers. Izwi's <u>Amy Tekié</u> highlights the results of the survey and details the extreme difficulties many domestic workers still face more than a year later.

#### Riding a wave of job losses

Domestic work is an intimate, hightouch industry. Workers from densely populated poorer neighbourhoods move daily into the suburbs of the middle and upper classes, and spend the day in close contact with those residents. They wash dishes, clean bathrooms, and feed children. There is ample opportunity for Coronavirus transmission in both directions.

The initial South African response to Covid-19 was a complete economic lockdown, from 26 March 2020. Most businesses closed, and employees were sent home, on a government -sanctioned no-work-no-pay policy. Under Covid-19 Level 5 restrictions, "live-in" domestic workers were able to continue working if their employer chose, but most domestic workers were sent home indefinitely.

According to the Izwi survey, from late March 2020, most workers were not receiving their full wages, and from April 2020, most were entirely without income.

"Ultra low-wage workers" is a term used to categorise domestic workers and farmworkers in South Africa. Shockingly, the government has excluded them from the full National Minimum Wage (which is itself below the poverty line). Farmworkers earn 90% of the basic minimum wage and domestic workers are entitled to only 75% of the basic wage of other workers. Earning at this rate, they usually have no financial cushion for emergencies. One month without pay can have drastic consequences. From the second week of lockdown, domestic workers' rights organisations were inundated with members who literally didn't know what to feed their children. Many landlords were threatening eviction (despite the official ban on evictions). Others were charging exorbitant in-



Life continues to be difficult for domestic workers

terest for the delayed payments. Women were scrambling, begging for whatever bits of support they could find from their families, friends and churches in order to survive.

#### **Excluded from social protections**

Domestic workers fought hard for their right to be covered by the Unemployment Insurance Fund (UIF) which provides cash benefits in cases of unemployment, illness, maternity leave, and death. They won that right in 2002. By law, every domestic employer in South Africa must register their domestic worker for UIF and submit monthly contributions if they work for more than 24 hours per month.

With the onset of Covid-19, UIF registration suddenly became critical for businesses and workers, as the UIF's Temporary Employee Relief Scheme (TERS) stepped in to cover wages for workers who were on unpaid leave during lockdown.

Unfortunately, those workers not registered for UIF were not eligible. Sadly, only a small fraction of domestic employers have registered their workers for UIF. The Department of Labour has reported 70% UIF coverage of domestic workers, but academic and experiential evidence says otherwise. Izwi's survey showed that 78% of the respondents were not registered for UIF.

Most respondents to this particular survey were migrant domestic workers, some of whom are undocumented and therefore not eligible for UIF. However, UIF registration rates amongst South African domestic workers have not been shown to be any higher. The survey results align closely with estimates from the International Labour Organisation, and from the University of Western Cape's Social Law Project, both of which found that only 20% of domestic workers are registered for UIF.

Many domestic workers have repeatedly asked their employers to register them, but to no avail. Some employers even deduct the monthly 1% from the worker's salary but never pay it over to the government. Others try to register but give up after administrative hurdles. There is no incentive for them to push through, as domestic employers are very rarely held liable for failure to comply with the labour law.

Without UIF registration, the government has no way of tracking either workers or employers. This perpetuates the anonymity and privilege enjoyed by employers, who can exploit workers in the privacy of their own homes, with no one at all to hold them accountable.

Civil society advocacy efforts were eventually successful in pushing the Department of Labour to allow employees to claim TERS funds directly (rather than depending on their employers to claim), and after additional threats of legal challenges, the Department finally agreed to include unregistered workers in the TERS benefit.

Yet once again a hard-won battle has been meaningless: only in October 2020, after five months of continued legal engagement from workers organisations, did the Department finally update the TERS online system to allow unregistered workers to apply. The extended delays in opening the process, technical glitches which barred documented migrants from

Is your employer paying you during the lockdown? 577 responses

Right now, since this lockdown I can't see my husband; they locked me before lockdown and say I will only go out when there is a vaccine. I am like a criminal cz (sic) m locked, not allowed to go outside even. I need to be myself, I have needs like them [...]

I am not allowed to step my foot on the street in front of the house, but they go to see their parents, relatives. 3 weeks back they went to Pretoria zoo with 3 other families. On Saturday they went to a brother's 50th birthday. My flat is a walk away from here but they don't want me to go. [...]

I feel like we domestic workers are being taken advantage of because it's not fair to lock me in while they go everywhere [....] She said Ramaphosa does not make rules in her house so even if lockdown is eased, if there is no vaccine I won't go out or else I have to go and look for another job.

Some domestic workers who normally travelled to work were asked to move in with employers during the lockdown period. In many cases they were sleeping in the lounge or sharing a room with the children.

They were frequently refused the right to go to the clinic or to collect medication. They were not allowed to do their own shopping or take care of



applying, and complete failure to publicise the opportunity have limited the number of worker claims. To our knowledge, no unregistered workers have been paid out for TERS claims for which they are eligible.

#### Imprisoned in their employers'

#### homes

While unemployed workers continued to scramble, those who have managed to keep their jobs, particularly live-in workers, faced their own challenges. Below is the experience recounted by Nozipho [*name changed to protect privacy*]. family responsibilities. One worker reported that her daughter is living at work with her, and the employers won't allow the teenager to return to school, despite the loosening of Covid restrictions and reopening of schools. Another worker who is newly married, and whose husband has not been able to see her for months, was told by her employer that she must choose between her job and her marriage. Workers were still suffering from these conditions over six months after the lockdown was over, and some are still facing these barriers, well more than a year later.

The emergency situation effectively nullified the rights of domestic workers in their workplace. If they refused to comply with employer demands, they could legally be placed on indefinite unpaid leave, with virtually no recourse. Below are just a few of the many complaints that workers reported in Izwi's April research:

• They told me I have to work until that 21 days sitting with them; they refused to let me go home to take care of my kids to make sure my kids are safe.

• I am working every day no off day, nonstop, no holidays, no overtime

• Due to this Corona virus, I have to work, sleep in, and get paid half of the salary I'm used to getting.

• My aunt is a live-in domestic worker; she has been stuck in lockdown from the beginning of March and has never been out to even buy herself toiletries, her bosses just tell her we will buy you everything. But why can someone go choose what soap or which type of pads do l use? Because shops are close by, she can go by herself, no taxi, to buy her stuff. The worst was last week when she asked to go [to the ATM] send money home and boss said No.

#### • I am staying at work so my family is running out of food and l can't help them.

All of this treatment is explicitly illegal under the labour laws regulating domestic work. Yet those who are still working know they are considered the "lucky" ones. With job opportunities so scarce, they are having to endure terrible rights violations, including violence and sexual abuse, (Hlanganisa Institute & Izwi, 2020) to preserve their livelihoods. When we asked Nozipho if we can engage with her employer about the various rights violations in her situation, she said the following:

My main concern is that if you can take the msgs (sic) and put them on news so that it can be heard by government. I need the job, if you talk to them about it they won't keep me working for them anymore, that I know.

If the stories are public but without my name then it will go into their minds. I just want this [to] be heard and something be said to our bosses

Government must also put us first and say something about domestic workers being ill-treated, refused freedom, not allowed to go to our families, mainly being locked in and separated from loved ones even after lockdown. It is depressing, cz (sic) our relationships with husbands is not healthy anymore; imagine from March until there is a vaccine! What if the vaccine comes after 3 years? I see this as unfair treatment — they live with their whole families.

As we adjust to new ways of working and living, let these tragic months be a lesson learnt. The solution must be systemic, but it is not mysterious. It starts with a written contract, payslip, and UIF registration. Change starts with each employer, and with genuine effort from the State to enforce the hard-won rights it has signed into law. Once domestic workers are visible and recognised, their rights can start to become meaningful. Once they earn a living wage, they can start to build financial independence and stand up to exploitation.

(StatsSA's latest quarterly labour force survey (April – June 2021) show that the number of domestic workers has climbed to almost 900 000 – still below pre-Covid figures of more than 1 million)

> Izwi has just released a booklet Employing a Domestic Worker: A Legal and Practical Guide. It is freely available online and can be downloaded here.

#### **Further reading:**

Hlanganisa Institute for Development Studies in Southern Africa and Izwi Domestic Workers Alliance, (September 2020). <u>"South African</u> domestic workers' <u>vulnerabilities to</u> (and experience of) <u>GBV in the workplace".</u>



# A BIG ask

There is growing support for a Basic Income Grant (BIG) as one measure to cushion the devastating effects of Covid-19 and the unrest in July 2021. However, how it is designed and implemented will determine its effectiveness warn numerous researchers.

SALB put a number of questions to <u>Neil Coleman</u>, Senior Policy Specialist at the Institute for Economic Justice (IEJ) on their recent policy brief – <u>Designing a basic income guarantee</u> Policy Brief #3 and their earlier policy brief – <u>Financing options for a universal basic income guarantee in</u> <u>South Africa</u> Policy Brief #2

#### Why is there such a divide between those who believe that the BIG is doable and those that don't?

It depends who you are talking to in terms of the economic interests that they represent. So in government, Treasury traditionally represents interests of the financial sector and the financial markets and is very opposed to a BIG but would want to have something which accommodates the huge pressure within government, the ruling party and the country more generally.

So they would look for the option which is least costly, most circumscribed and precisely as we outline in our policy brief, one which is limited to the most extreme poor, is the most stingy, and is most exclusionary, like the R350 model.

In the business community, it's the same thing – the financial sector who tend to oppose it are linked to the very strong, macro-economic austerity type of agenda as against those in the manufacturing and retail sector who, crudely speaking, tend to recognise that there is a social crisis and that there has to be a market for their goods.

#### What about political parties?

Interestingly the BIG has had the most cross-party, cross-sectoral support of probably any policy that one can think of. So when it came to the debate in parliament, every single party supported the idea of introducing BIG. But when people are forced to look at – what does it mean, how are you going to finance, etc. etc., then the support quickly vanishes and you revert to the old sort of divide.

Apart from the ANC and its allies and GOOD which has adopted support for BIG, the others have become very quiet. Interestingly you don't hear the EFF even speak about it, certainly not the DA. I'm not hearing any of the political parties speak about it even though they supported it in parliament.

### Is there a danger in implementing a BIG?

There is a lot of scare-mongering, a lot of talk about what will happen, it's an 'irreversible commitment', it will 'lead to economic implosion' but this represents a very narrow characterisation of what a BIG would be, firstly as a social investment and in terms of its multiplier impacts. A host of international literature which we refer to in the IEJ Design Policy Brief (as well as another brief on impacts), basically show that investment in grants, in poor communities has all sorts of positive spinoffs in education, health and local economic development.

Can you give some examples of positive spinoffs where it's been implemented?

The pilots that have been done in Namibia, Kenya, large-scale grants in Brazil and a number of other countries have shown the developmental impact in terms of supporting the growth of small businesses, employment in local communities once that grant money is pumped in. It's not rocket science, in communities which have virtually zero demand, if you pump billions in, that's going to have those sorts of multipliers.

Analysing eight case studies, Development Pathways found a multiplier effect of between 0.7 and 1.9 on GDP, meaning that for every rand spent, GDP increased by between 0.7 and 1.9. There was also an increase in total tax revenue, employment opportunities, and reductions in poverty, gender and income inequalities.

#### Some are arguing that it's better to put the BIG money into public works programmes or employment promoting programmes.

The treasury structural reform document, the document they released about a year ago, proposed a set of micro economic reforms. They calculated that their reforms would create 1m jobs in 10 years. In other words, 100 000 jobs a year. If you include the new jobseekers on the labour market such an outcome – after the 'structural reforms'- would actually result in an increase above the current levels of unemployment of a couple of hundred thousand a year. So the idea that jobs by themselves is an alternative in this scenario is just laughable. The best you can do with the amount of money that it would cost to provide a universal BIG at the food poverty line (FPL) of R585 per month is to provide, at an absolute maximum, 2m public works jobs.

#### Is a UBIG affordable?

We think so. Through a mechanism such as the social security tax (SST), everybody who is earning contributes but everybody also receives a benefit. If you look at the <u>Brief #3</u> (page 10 **Table 4**) it shows what the net benefit/ contribution is. And what you see is that everybody earning up to plex system like means-testing and it is the most expensive. Even the *Bolsa Familia* scheme in Brazil which is regarded as one of the best, uses a simple means-test but still excludes 44% of its intended recipients.

Closer to home, of the COVID R350 grants, there are about 13m that applied. This very closely mirrors the expanded unemployed, but only around 8m have successfully applied. The register that they are using, the database that they are using, is 3 years out of date.

A prominent researcher doing work in this area says there is roughly a 35 per cent error in these databases. Therefore nearly all those that have ing on keeping the money, it's just riddled with issues. It would also radically reduce the number of beneficiaries.

Recently the World Bank has proposed a work-seekers grant to the narrow unemployed -i.e. all those **not** actively looking for work, won't get it.

So again, it's purely fiscally driven, completely illogical – how do you determine who qualifies?

What they propose is that 3.8m get the grant and that you keep the amount at R350. The R350 is already a non-starter, people are so angry at this amount, which is way below the Food Poverty Line. It's going to be an

	Earnings Per Year	35 000	70 000	150 000	250 000	340 000	500 000	1 000 000
	SST rate (%)	1.5%	1.5%	2.0%	2.0%	2.0%	2.5%	3.0%
R585	SST tax paid	525	1 050	3 000	5 000	6 800	12 500	30 000
	Total received	7 020	7 020	7 020	7 020	7 020	7 020	7 020
	Net benefit / contribution	6 495	5 970	4 020	2 020	220	-5 480	-22 980
R840	SST tax paid	525	1 050	3 000	5 000	6 800	12 500	30 000
	Total received	10 080	10 080	10 080	10 080	10 080	10 080	10 080
	Net benefit / contribution	9 555	9 030	7 080	5 080	3 280	-2 240	-19 920

Source: IEJ. 2021. Financing Options for a Universal Basic Income Guarantee in South Africa.

R350 000 gets a net benefit, in this design. It could be changed. But it is a progressive form of taxation and ultimately the larger net contributors are those earning over R500 000 a year. Everybody contributes according to their ability.

The SST would be complemented by other taxes detailed in IEJ's tax proposals. And you would have to include an element of a tax on wealth, etc. and obviously the Schussler's and others are not going to like it. But the issue is that it is a very equitable way of financing.

#### You are against targeting for the BIG. For example, paying just those that are unemployed, or only those that are earning below a certain threshold, or paying to certain poor households. Can you explain why?

Targeting needs a much more com-

been excluded, roughly 4-5 m of the applicants are as a result of faulty databases. This demonstrates one of the many problems with targeting, which we document extensively in the IEJ Design brief.

#### The current R350 grant stops at the end of March next year. What do you think is going to happen then?

So we *de facto* now have an unemployment grant, the question is whether that is going to be converted into a BIG, what the level of it will be and who the beneficiaries will be. That's where we expect the contestation.

Treasury favours a household grant replacing the SRD Grant. This would be a disaster. They don't have the registry. There's no clear identification of what constitutes the household, it will intensify GBV, you can imagine 'heads' of households insistabsolute outrage if they extend it at R350 in April next year. They're proposing that R16bn a year is spent on these 3.8m people at R350, a fraction of the cost of the SRD, let alone a universal basic income. It's possible that if the household grant doesn't fly treasury might look at this as a fallback type position.

#### Perhaps the question shouldn't be is the BIG affordable, but can we afford not to do this?

Imagine if you asked what would happen in a country facing a crisis of extreme proportions in which a couple of million people had lost their jobs; in which there is extreme hunger amongst 10m of the population with 3m children; what would happen if we withdrew the tiny R350 grant that we offered those people, following the withdrawal of the caregivers' grant? Bearing in mind that together, those grants directly or indirectly benefited close to half the population. Well that's exactly what happened, the grants were withdrawn; then in July 2021 political dynamics of a parasitic faction fighting to defend their ill -gotten gains, combined with this desperate social situation to create massive destruction and looting (R50 billion rands worth in two weeks).

A lot of it, not all of it, was related to hunger, looting of food and basic household goods. Interviews conducted in the media with people expose that hunger and desperation, and the termination of the grant played a significant role in these events.

So the notion that you can stabilise our society after the so-called return to normal, following these events, without a serious response to this underlying crisis, is unbelievable. People thinking that a gradualist response along the lines of more supply-side measures and 'structural reforms' can work, are living in a bubble of denial, or self-delusion. This is particularly true of those who represent interests opposed to a meaningful intervention along the lines of a UBIG. They seem to be oblivious to the social and economic cost which will be exacted by a failure to act.

#### Table 2: Summary of financing options

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	2022/23 (billions)	2023/24 (billions)	2024/25 (billions)	NOTES
INCOME TAXES				
Social Security Tax (SST)	R67.29	R69.10	R70.97	<ul> <li>1.5% of taxable income for income between R0 and R80 000 per annum;</li> <li>2% of taxable income between R80 000 and R350 000 per annum;</li> <li>2.5% of taxable income between R350 000 and R1 million per annum;</li> <li>3% of taxable income more than R1 million per annum.</li> </ul>
Resource Rent Tax	R38.80	R38.40	R38.30	Assuming a tax that can extract 25% of the Natural Resource Rent value in South Africa in line with Ghana and Zambia.
Selective removal of pension fund contribution deduction	R22.04	R22.64	R23.25	Removal of deduction for those with taxable income of more than R1 000 000 per annum.
Selective removal of Medical Aid Tax Credit	R6.03	R6.23	R6.36	Removal of tax credit for main member & main dependent for those with taxable income > R500 000 per annum.
Dividends Tax	R7.70	R8.10	R8.60	Increase rate from 20% to 25%.
CONSUMPTION TAXES				
Implementing a Luxury VAT	R8.41	R8.78	R9.17	25% VAT rate on luxury goods.
Increase in Excise duties	R3.36	R3.56	-	14% annual increase; temporary measure.
Carbon Tax	R2	R2	R2	Increase to one-quarter of EU standard.
WEALTH AND PROPERTY TA	AXES			
Wealth Tax	•	-	R59	1% tax rate for top 1% and 3% tax rate for top 0.1%. Evasion rate of 30% and 20% stock depreciation assumed.
Estate Duty Tax	R1.79	R1.87	R1.93	<ul> <li>Estates valued between R3.5 million and R30 million are taxed at a rate of 36%.</li> <li>Estates valued between R30 million and R146.89 million are taxed at a rate of 41%.</li> <li>Estates above R146.89 million are taxed at a rate of 45%.</li> </ul>
Currency Transaction Tax <sup>12</sup>	R3.68	R3.75	R3.88	0.005% tax on all onshore currency transactions.
Securities Transfer Tax (STT)	R1.37	R1.41	R1.45	Increase rate from 0.25% to 0.3%
Financial Transaction Tax (FTT)	R41	R41	R41	0.1% tax rate.
REMOVAL OF CORPORATE	TAX BREA	KS		
Reduce profit shifting of MNCs	R5.75	R5.75	R5.75	Target of 25% reduction.
Cancel Employment Tax Incentive (ETI)	R4.8	R4.93	R5.06	
Reverse Corporate Income Tax (CIT) reduction proposal	R7.6	R8.2	R8.2	Reverse proposed reduction of CIT from 28-27%.
REDUCE WASTEFUL AND IF	REGULAR	EXPENDI	TURE	
Reduce irregular expenditure	R36.4	R42.5	R48.5	Target of 30% of R121.3 billion, reported by Auditor- General in 2021.
Reduce wasteful expenditure	R1.85	R1.85	R1.85	A further 2.7% reduction of R68.4 billion spent on "General Public Services".
TOTAL	R259.87	R270.02	R335.27	
Recouped via VAT	R24.2	R24.85	R25.52	12% of total expenditure on UBIG. Average provided, but this depends on amount of UBIG. See table 24.

Source: **Table 2 page 3** of <u>IEJ Policy Brief #2</u> here for a detailed description of how IEJ proposes funding

Note: Applied Development Research Solutions published a similar document in May 2021 – <u>Fiscally Neutral Basic Income Grant Scenarios: Economic and Development Impacts</u>

It proposes increases in income and wealth tax of the top two quintiles to fund a UBIG which 'translates to concurrent increases of both the expenditure-GDP ratio and the revenue-GDP ratio, with no deterioration of the deficit-GDP ratio and the debt -GDP ratio'.



# The sparks that lit the tinderboxes

In the aftermath of the wanton destruction, looting and violence that played out across KwaZulu Natal and Gauteng in July 2021, numerous press statements, articles, webinar discussions and debates have been written and ideas aired. **Jenny Grice** highlights some of these.

IT was author and researcher, Ziyanda Stuurman, speaking at a <u>webinar</u> organised by Wits University's Faculty of Commerce, Law and Management who coined the term "tinderbox" to describe the July unrest, rather than the often quoted "ticking time bomb". A "ticking time bomb" was "self-contained", she said, while a tinderbox could "go off at any time" if it just got the right spark. And with so many "who feel like they've been left behind and uncared for by government" that spark was ever present.

Almost all the numerous articles, debates and discussions highlight inequality, poverty and unemployment as key sparks that lit the tinderboxes. A factionalised ANC, a corrupt state, and an economic system that excludes the vast majority, particularly the youth, served to fan the flames.

The July events affected different classes of people differently. Various trade unions and civil society organisations immediately released <u>press</u> <u>statements</u> largely denouncing the actions, with some spelling out how their members had been affected. (If your organisation's press statement is not included here, please feel free to add <u>here</u>)

Informal street traders bemoaned the fact that the destruction of various shopping centres had inadvertently destroyed their members' trading spaces cutting off their future income, while they foresaw inevitable price increases following.

As the extent of the destruction became clearer, there were calls for government to step in with immediate relief measures for the poor. The demand for a <u>Basic Income</u> <u>Grant</u> received renewed support with many organisations producing solid arguments backing their demands.

And then began the process by trade unions, NGOs (eg. <u>ILRIG-</u> <u>WWMP</u>), academics (eg. <u>Wits Univer-</u> <u>sity</u> and MISTRA/GCRO) and journalists to unpack what really happened and come up with ways forward.

#### **Conditions ripe for unrest**

All the signs that could lead to the unrest were there, said Julia de Kadt from GCRO talking at the MISTRA/ GCRO webinar. Data from their quality of life, longitudinal survey that they've been administering in Gauteng since 2009 show that in 2020 the percentage of households living on R1193 per month had climbed to 36% from 24% the year before. More alarming was the big jump in those households that lost income and were forced to live on less than R800 per month. Satisfaction with government at all levels - national, provincial and local - had dropped to all time lows.

#### Dangers of no working class organisation

Although the conditions were ripe for riots, organisation and vision during the unrest was lacking, said left-wing activist Mandy Moussouris at the <u>ILRIG-WWMP</u> webinar. "They were kneejerk responses to a dire situation... There was a complete lack of working class organisation..." And this was dangerous she warned. "If we are not organised, we create space for right-wing elements to step in..."

**Effects of disorganisation** 

Busiswe Diko from shack dwellers' organisation, Abahlali basemjondolo, gave her perspective from the ground. "Infrastructure was destroyed... the whole conflict is caused by Covid pandemic, not just Zuma sentence that caused people to be angry. Many people lost jobs because of pandemic and weren't paid. Then people started turning against each other; there was confusion and anger. It's very important that people don't accept everything they see on social media before it's verified, especially if it's going to divide people. All progressive people need to make this very clear to members... in Phoenix many people were shot; [there were] vandalised shops, damaged people's jobs - this looting again it caused racism, war people fought against each other."

Conflict resolution expert from African Centre for the Constructive Resolution of Disputes (Accord), Vasu Gounden, a speaker in the MIS-TRA/GCRO webinar reflected on his experiences of the 1980s and early '90s. Himself a student activist at the time, who led thousands on the streets, the difference he said was that "we did have control over the people on the streets and we knew if we took people out, we knew when we could take people back.

"The problem with this recent thing is whoever organised it lost control by the 2<sup>nd</sup> day and that is an extremely serious challenge that we face in the country, the disintegration of political parties, the lack of political leadership at that level."

Not only that but [in the July looting] although "there were poor who took to the streets and looted, there were also a lot of wealthy people who lined up to get the spoils. It shows a breakdown of our value system, and that is a very worrying factor."

He also expressed concern that private citizens took up arms where the state failed to secure them. Many other countries on the continent head towards civil war "because state authority and security broke down and if we are not able to pull that back and to reinstitute confidence in the state security apparatus and if we can't rebuild that from police to justice, that will lead us into very, very dangerous territory."

#### Looting and destruction wellorchestrated

The way in which the looting and destruction were carried out were a sign that it was well orchestrated said Wits academic, David Everatt, addressing the Wits webinar: "poor people do not attack community radio stations, reservoirs, electricity sub-stations and cellphone towers."

And "yes," he said, "it can very easily happen again. The vast majority of people remain poor, hungry and freezing."

### Need to address root causes of the unrest

"So many of our problems are not new," said Stuurman, "they were there during the Zuma years, they've been there during Ramaphoria to a certain extent – if we are not going to strike at the heart of what causes this social unrest, that lies there in wait for instigators from a certain faction of the ANC or from another nefarious part of society, those triggers are going to stay there and they can be weaponised by someone else."

Others pointed out that the problems could be traced back to colonial times and that unless these were addressed, chances of moving forward together were limited.

Dr Mbongiseni Buthelezi from PARI highlighted to the MISTRA/ GCRO webinar the problems in traditional rural areas. The State had made things worse in those areas by giving "more and more unaccountable powers to traditional authorities." And with mining companies moving into these areas, some traditional leaders were getting themselves onto boards of mining companies and extracting rents from their communities.

If rural communities called the police they were lucky to see them in 24 hours and this had exacerbated the rise of armed groups. "There is a gun culture in the midlands of KZN that we need to pay attention to," he said.

#### What is to be done

"Selfless leaders" were needed, said Mohapi from Abahlali baseMjondolo.

"For the society to work, some people have to give up stuff, and that's generally us, the white middle class that benefited so handsomely from the past," Everatt.

The working class needs to reorganise, said Mandy Moussouris. "We need to look at how we rebuild communities... otherwise we end up where the working class is pitted against each other and those that rule us continue to do

so."

Working class organisations needed to "accompany the masses to build the necessary strength to wage present and future battles" echoed Ishmael Lesufi from the Covid19 Working Class Campaign (CWCC).

There must be social compacts said several contributors.

However, Nedlac's Lisa Seftel warned that social compacts could only work if government was capable and if parties trusted it. In the aftermath of July 2021, government promised UIF relief for workers, it promised a website for business to register. "We tried to facilitate in Nedlac, but government had no capacity to deliver," she said. Three months after July, only the website that businesses needed to register on for relief had been set up.

Three things have to be done for social compacts to succeed, said Gounden.

• state capacity must be built

• all initiatives to address endemic and systemic corruption and culture of corruption must be consolidated

• mediation capacity must be built at community level to mitigate conflicts to create breathing space for transformation to take place.

"The incidents in July shocked the nation as it shocked the world," said Gounden. "It's not the first time; we've seen this on many, many occasions. The fundamental difference this time is if we don't take steps to resolve or mitigate soon, it will lead us in the direction that we don't want to go as SA."



Residents queue outside one of the few shops that remained in Morningside, Durban after the July looting and destruction

# **Government's EPWPs need a new focus**

*Covid-19 has exacerbated unemployment levels, particularly for youth, to their highest levels ever says Thabiso Modise. Existing government programmes like the Expanded Public Works Programme <i>(EPWP) could be more effective if they learnt from international experience.* 

#### Background

The unemployment rate of 34.4% for the second quarter of 2021 is the highest since the start of the Quarterly Labour Force Survey (QLFS) in 2008. Using the expanded definition of unemployment (those who have given up looking for a job), Statistics SA found the unemployment rate to be 44.4% with the highest unemployment being experienced by Africans (38.2%) and youth between the ages of 15-24 (64.4%).

Moreover, there are segments of young people who have been discouraged from looking for employment or any form of skills development. There is even a special name for them: Not in Employment, Education and Training (NEET). The NEET rate in South Africa for the 15 to 34 age cohort in the second quarter for 2021 is 44.2% (Stats SA, 2021). These groups of vulnerable people have been stuck in poverty for years and have been economically excluded.

Until the onset of Covid-19, there was no social protection for unemployed persons aged between 18-59. In response to the havoc wreaked by Covid-19, government introduced a special Social Relief of Distress (SRD) grant of R350 from May 2020 for six months. It targeted the unemployed who were not receiving any form of income support from government. It was extended until the end of April 2021, after pressure from civil society and other interest groups and reinstated in August 2021 until March 2022 after incidents of unrest in several parts of Kwazulu Natal and Gauteng in July 2021 and the ongoing negative impact of Covid-19.

These relief measures given to the unemployed are temporary. They will

cease to exist in due course. There is a need to analyse existing government programmes that provide job opportunities for the unemployed.

#### Expanded Public Work Programmes (EPWPs)

The Expanded Public Works Programme (EPWP) is a government programme that provides job opportunities for the unemployed. It works in different sectors namely: infrastructure, environment, culture and social.

The EPWP is contract work linked with the duration of projects. The beneficiaries are paid a minimum wage of R92.31 a day across all sectors, adjusted annually in line with the inflation rate. Contracts are renewed on a yearly basis. When a project ends, the beneficiaries are back to being unemployed (Maphanga & Mazenda, 2019). The skills development component is supposed to be a key EPWP feature but that seems largely ignored.

#### Learning from international Experience

The Mahatma Gandhi National Rural

Employment Guarantee Scheme (NREGS) (also referred to as EGS) is an Indian job creation programme introduced in 2006. The EGS provides 100 days of manual work on publicly-funded projects (e.g. rural

Sector	Area of work	Supervising department/entity		
Infrastructure	Maintenance or construction of state- funded projects <u>e.g.</u> roads and other related infrastructure	COGTA, Mineral Resource and Energy, Transport and Water Affairs at provincial and local leve		
Environment	Sustainable Land-based Livelihoods, Waste Management, Tourism and Creative Industries, Parks and Beautification, Coastal Management, Sustainable Energy and Working on Fire.	Forestry, Fisheries & The Environment (Overall lead), Agriculture, Land Reform and Rural Development, Sport, Arts, Culture and Recreation, Tourism, Water Affairs and Sanitation, Mineral Resources and Energy and provincial and local level.		
Culture and social	Community policing and patrolling, Early Childhood Development (ECD), Gender based Violence and Social Crime Prevention, Home-Based Care, Teacher Assistants and National School Nutrition programmes, creative industries, <u>arts</u> and craft, baking and confectionery, sports and recreation.	Social Development is the overall lead assisted by Basic Education and Health.		
Non-state sector	Wage subsidies are used to implement Community Works Programmes (CWPs) and given to non-profit organisations (NPOs) to administer in the areas of agriculture, <u>arts</u> and crafts, baking and confectionery etc.	COGTA		



infrastructure such as irrigation canals and roads) to mostly rural households in India annually.

The EGS targets those who are willing to do manual work, irrespective of gender, and have low prospects of getting employment opportunities, due to their low skills level. There is no current data on targeted age groups. India is an interesting case because it is the only country that has implemented the EGS in the world.

In the 2020/21 financial year, 111 million work seekers benefited from the programme according to the Indian National Treasury with 65 million work seekers benefiting from the programme in the current financial year 2021-2022 with a budget of R146 million.

The intention of the EGS is to strengthen the livelihoods of those who reside in rural areas at the same time creating productive assets in agriculture and infrastructure. This is regarded as a skills development component because communities are expected to be able to sustain themselves through what they learned. The average minimum wage per day is R58 depending on the area.

Other countries in the European region, (Finland and Sweden in this case) are known as the pioneers of active labour market policies. These Nordic countries are social democratic states that provide universal welfare coverage to citizens. This means that public employment programmes and other related services are designed to serve all the residents in those countries (Bjørn Hallstein Holte, Ignatius Swart & Heikki Hiilamo, 2019). Since the welfare state is funded by taxpayers, the whole working age population in those countries is expected to contribute through their participation in education, employment and training (Bjørn et al., 2019).

With regards to Finland, the current Youth Guarantee Scheme (YGS) was first introduced in 2013. According to the European Commission (EC), in 2014, the Finnish youth unemployment rate was 20%; five years later it had dropped to 17%. Similarly it found that at the launch of the YGS, the NEET rate was at 10% but by 2019 this had decreased to 8.2%. So far 66.5% of the Finnish NEET have benefited from this programme with the Finnish government having spent just more than R2 bn to date.

The YGS consists of various elements: a guarantee of employment, educational guarantee, a young adults' skills programme, a youth workshop and outreach youth work. The YGS is a partnership between the public and private sector. In this case the partnerships seek to promote the incluEPWP workers are employed on contract; when the contract finishes most beneficiaries go back to being unemployed (pic – Seriti)

sion of young people in education, training and employment.

The youth are also responsible for improving the programme in terms of what needs to be included, which services are important and how they can be measured. The private sector is compensated for offering apprenticeships to those who have only completed basic education.

Coming to Sweden, the same EC report noted that the current YGS was implemented in 2013 and revised in 2014. It is regarded as one of the most advanced YGS in Europe. During the launch of the YGS in 2013, the youth unemployment rate was at 23.5%; by 2019 the figure had dropped to 20.1%. With regards to the NEET, the rate was 7.5% in 2013 with the figure declining to 5.5% in 2019 with 44.1% of the NEET having benefited from the YGS at a cost to the Swedish government of just more than R775 m.

The Swedish YGS provides a similar holistic approach to the work seeker as Finland. However the focus is area specific and responds to the local needs of employers. The public and private partnerships happen locally and employers are incentivised to give apprenticeships to school leavers. The focus is more on skills development and on the job training for the 18 to 24 year olds.

Looking at Finland and Sweden cases above, this further supports the argument that the YGS is more effective for those who have never worked before, compared to those who have been disconnected from the labour market who may not be interested in the whole process of profiling but rather want to be placed in jobs.

#### **Improving interventions**

Existing government policies in South Africa have not produced the desired outcomes where the focus seems to have been more on the number of work opportunities created rather than the quality of those work opportunities. Moreover, once the beneficiaries exit these programmes, they are currently not being monitored to track the impact of those programmes on them.

The South African government should learn from the international examples of the EGS and YGS implemented in India, Finland and Sweden by:

• Introducing a case management approach that will profile all beneficiaries and link all programmes mandated with creating economic opportunities in South Africa. This will make it easier for government not only to track beneficiaries' progress until they graduate and find employment but also to judge if the programmes are having the desired impact. It will also prevent duplications.

• Ensuring that there is a strong governance structure in place so EGS can be successfully integrated into the EPWP. The governance framework will mitigate corruption and other fraud-related risks that might prevent the programme from achieving the desired outcomes.

• Leveraging the existing programmes that target vulnerable groups. For instance the EPWP can be up-scaled using lessons learned from India's EGS, the Swedish and Finnish YGS. The EGS should focus on the rural areas and the YGS on the NEET. Good practices on skills development in the YGS will ensure the EPWP has more impact on the youth.

#### **Improving programmes**

It should also improve its programmes by:

• Creating partnerships between the private sector, small businesses and Non-Governmental Organisations (NGOs) to create economic opportunities in communities that can be linked into existing value chains. This will include NGOs that work in agriculture and other sectors, international agencies and the corporate social responsibility component in the private sector. Their experience in communities can inform policy.

• Evaluating the current EPWP framework so that new strategies can be developed post Covid-19. For example, linking the beneficiaries of the SRD Covid-19 grant with other related policies mandated with job creation.

• Ensuring that food parcels form part of the social assistance roll-out programmes for those who do not qualify for any form of income support.

It's time for us to learn from other countries like India and the Nordic countries who once faced similar challenges. EPWP should focus more on skills development through an integrated approach, rather than on the number of work opportunities created. The benefits of skills development are long term and will go a long way in tackling unemployment in this country.

Thabiso Modise is Deputy Director, Economic Opportunities Liaison in the Department of Social Development. He writes in his personal capacity.

#### **Further reading:**

1. Bjørn Hallstein Holte, Ignatius Swart & Heikki Hiilamo (2019). The NEET concept in comparative youth research: the Nordic countries and South Africa, *Journal of Youth Studies*, 22:2, 256-272.

2. European Commission. (2020). Youth Guarantee Country by Country.

3. Maphanga M & Mazenda A. (2019) The Effectiveness of the Expanded Public Works Programme as a Poverty Alleviation Strategy. *Administratio Publica, 27:3.* Statistics South Africa. (2021). *Quarterly Labour Force Survey, Quarter 2, 2021.* 

# Temo ke lehumo\*

The initial Covid-19 lockdown battered small vegetable farmers reports **Mmathapelo Thobejane**, but now that restrictions have eased, women vegetable farmers in Limpopo are flourishing.

A GROUP of eight women in Limpopo from different villages started an initiative way before Covid-19 to promote a sustainable livelihood through vegetable gardening and to improve the health and build the capacity of women residing in these areas to start their own home gardens, regardless of their income or background.

The women started small. The land belongs to one of the women and it's leased to the group. The community is situated less than 300m away from a mine.

Their businesses were badly affected by Covid-19. Their regular customers were street vendors but Covid-19 regulations prohibited street vendors from trading during the pandemic. The demand for their produce dwindled, and some of their harvest was wasted. There was no income on both ends, the economic cycle was disconnected. Producing and selling became difficult for this group of women.

With the relaxation of lockdown regulations, they are now back on the game because "we have no other source of income to take care of our families".

#### **Expansion plans**

"This year we are looking to expand our work and start selling chicken eggs. Our families will never go to bed on [an] empty stomach and we also manage to have some little income after selling our veggies," said one of the farmers.

The project started small with little knowledge on farming, but with passion and dedication the project is now flourishing and generating income for the women.



gardening project, its members would appreciate support and recognition from the mining companies operating in these communities.

Wa lala wasala...shoma motho wa mme shoma!

\* Agriculture is a treasure!

Some of the group working in the vegetable garden

(Pic: Mmathapelo Thobejane)

Mmathapelo Thobejane is an activist and coordinator of the Limpopo Provincial Community Monitoring School of the Benchmarks Foundation

Despite the strides made by the

# Partnering to tackle youth unemployment

The President announced the Presidential Youth Employment Intervention (PYEI) in February 2020. It promises a new approach to the problem of unemployment. **Jenny Grice** takes a look.

According to StatsSA's most recent <u>Quarterly Labour Force Survey</u>, three out of four young workers cannot find a job or have stopped even looking for one. And even though GDP is starting to climb back up, employment is not seeing similar growth.

President Cyril Ramaphosa announced the <u>Presidential Youth Em-</u> <u>ployment Intervention (PYEI)</u> in February 2020.

PYEI is not acting alone. It's bringing together a wide range of partners (public and private) like NPO <u>Harambee</u> Youth Employment Accelerator and <u>Youth Employment</u> <u>Service (YES)</u> and breaking down the silos between government departments to help achieve PYEI's aims.

One of their partners, Harambee, stresses the importance of partnerships. "I think really our pandemic lesson has been that it's never going to be enough even working at scale. Scale is great, but scale is not going to be enough. We have to work in partnership with others. It's not about what we as individual organisations can do alone but what needs to be done as a whole, and what we can do in partnership with others." Sharmi Surianarain, Chief Impact Officer.

#### The National Pathway Management Network (PMN)

The PMN is key to the project. It's "about how we support young people to transition out of opportunities, whether learning or short-term opportunities ... into other forms of learning in ways that actually allow them to progress," says PYEI's Lerato Shai.

The PMN is a network of networks ensuring that young people have visibility of opportunities across network partners.

It includes an online platform, <u>SAYouth.mobi</u> and is like a one -stop shop where youth can register that they are looking for a job, lodge their CV, find out about job opportunities close to them and receive advice about their hustle.

Access is data free and for those that don't have smartphones, there is a toll-free line (0800 727272) to a call centre with trained youth workers.

Or a person can choose to meet face to face at a labour centre at the department of employment and labour (DELP), or the <u>National Youth</u> <u>Development Agency</u> (NYDA) or Harambee or YES. All of these separate organisations are linked into the PMN so that information can be shared easily. Before "they had to apply to five, six or seven different places which is expensive and frustrating," says DELP's Carmel Marock.

Other PYEI partners can also be accessed through this platform where these different services are offered:

• mPowa <u>http://</u> <u>www.mpowa.mobi/</u> A mobile app that gives information about employment, education, entrepreneurship where youth live and provides support

• National Career Advice Portal <u>http://ncap.careerhelp.org.za/</u> is run from the Department of Higher and education and training and is an online self-help tool that helps students choose their career and make study decisions. (not data free)

• Tshepo 1Million – <u>https://</u> <u>www.thintimillion.co.za/</u>Through ThintiMillion it provides basic digital skills on Microsoft as well as tips on building your business. (not data free)

#### **Teachers' assistants programme**

At the end of 2020, Phase 1 of the 5month teachers' assistant programme needed 300 000 teacher assistants in the span of two weeks across 26 000 schools. "It really tested the PMN system," says Surianarain, but it worked and 323 422 young people were placed in schools across the country and each earned R3500 per month less their UIF contribution. The PMN was able to closely match youth living near the schools so transport costs to get to work would be minimal. Currently Harambee are finalising matches for Phase II of the programme "which will double these placement numbers before the end of the year."

Convenor of the COSATU Young Workers' Forum, Xolani Fakude, says COSATU welcomes the teachers' assistant initiative. "It opens up opportunities for young workers who potentially can also be educators" especially when, the number of teachers produced annually are "well below intended targets."

Fakude stresses that the practice must be structured better and institutionalised and not remain as a temporary measure linked to Covid-19. Equally he says that government mustn't ignore the qualified teachers in KZN that are currently facing an uncertain future after enforced education budget cuts of R6.4bn in the province.

Speaking from personal experience, 31 year old, Bulelwa Magalimela who was employed as a teacher's assistant in Phase 1 of the project agrees with Fakude that the programme should be continued. She described her time working with the school kids as "a confidence booster" and as an experience that piqued her interest in working in the education/childcare field. She has a matric but had never had a job before. However, when the contract ended, she received no support. "It shouldn't just end like that," she said.

Meanwhile Shai says they are aware of the difficulty of transitioning as Magalimela experienced and are still working with the sectoral training authorities (setas) to identify "the different pathways, what is the skill set for those teachers assistants ... so we can structure those transitions" so that people can progress.

Even so, Shai acknowledges that a big challenge is that "labour demand is so low". And that's why another of their priorities is to work closely with industry to develop partnerships so that potential jobs can be surfaced.

### Demand-led training in growth areas of the economy

Government has identified key areas of the economy where it expects jobs to grow: global business services (call centres), digital and technology, tourism, agriculture, and social services. Harambee has been active in helping the department of trade industry and competition (dtic), and sector body Business Process Enabling South Africa (BPESA) in growing jobs in global business services (GBS).

Partnering with government, civil society and the private sector a roadmap was developed that aimed to grow the sector to 500 000 jobs. In 2020, companies in India and the Philippines moved some of their jobs to this country and South Africa became the top destination for GBS says Surianarain. The sector generates an average of over 3 000 good quality jobs per quarter, and since 2018, has created well over 40 000 new, highquality jobs that are accessible to young people because of low barriers to entry.

In the automotive component industry, a project managed by International Youth Foundation (IYF) called <u>High Gear</u> is working with industry body National Association of Automotive Component and Allied Manufacturers (NAACAM) and with the department of higher education



Bulelwa Magalimela's says her time as a teacher's assistant was a "confidence booster" but the contract "shouldn't just end like that"

and training (DHET). They want to strengthen NATED qualifications with Elangeni TVET College in Durban and the East Cape Midlands College in Kariega, Eastern Cape so that students and employers "have more confidence in TVET qualifications," says High Gear programme director, Colin Hagans. Although not strictly part of PYEI, it will form part of the auto workstream being supported by DHET and the Presidency as part of PYEI and it shares many of its objectives.

The government-supported South African Automotive Masterplan (SAAM2035) is aiming for 60% local content in the automotive sector by 2035, and NAACAM members have identified lack of skills as the key factor inhibiting this objective.

"Surprisingly many employers are not prioritising occupation-specific, or industry-specific technical competencies from TVET graduates," says Hagans. "They want the strong foundations from TVET college graduates: foundational STEM (science, technology, engineering, maths), the knowledge of basic tools around mechanical and electrical engineering as well as higher order thinking capabilities and life skills or work-readiness skills."

The project has identified one major problem with NATED qualifications in TVETS: they have no workshops which make NATED courses entirely theoretical. To compensate High Gear and its industry and TVET partners have co-created portable demonstration toolkits for lecturers to practically demonstrate mechanical engineering and electrical engineering principles. Lecturers are currently being mentored and it's hoped that lecturers will start using them with students in trimester 3 with continued delivery next year. Other demonstration toolkits are in the pipeline.

Coupled with this will be ongoing workplace exposure for TVET lecturers, and regular workplace and employer exposure for students during their studies to increase student commitment to their studies. According to Hagans, "if students don't see that employer visibility while they're studying, the student might have very little confidence that this qualification is leading them to employment opportunities."

To improve career guidance services for TVET students, the project is creating an interactive 'career experience platform' website which will highlight careers in the sector and young people working in those roles, while also providing practical sections on how to build a car and interactive games that simulate production line roles. There are plans to link the High Gear platform with the SAYouth.mobi platform and the PMN.

Although funding for the IYFfunded High Gear project ends in 2024, Hagans is confident that with NAACAM firmly on board in the project, it will be able to scale it beyond the life of IYF's involvement using South African funding potentially from the SETA system.

Equally exciting says Hagans is that the "components manufacturing sector is a very good proxy sector for advanced manufacturing" which makes the skills easily transferable "across a large swathe of the manufacturing sector."

### Support for self-employment and youth entrepreneurship

Marock is the first to acknowledge that PYEI's ideas on job creation have shifted since the start. "The reality is that there are simply not enough full-time employment positions to access." So PYEI's argument now is that youth service shouldn't be fulltime. Instead "you help people with their hustle while they are doing stipend programmes," says Marock, "and then support them when they exit to move onto their enterprises. The work on the youth service is only going to help young people if you are able to build local economies so there are opportunities for them to access."

However, building local economies so as to create jobs for the youth remains a challenge says Wits academic, Hannah Dawson. You can't escape South Africa's history that viewed townships as reserves of cheap labour for businesses elsewhere and not vibrant economies on their own, she says.

Compounding this is the minute size of the informal sector compared with the rest of the African continent precisely because of the monopolised and formalised nature of our economy which limits many informal business opportunities. "It doesn't matter whether you are in Sandton or Zandspruit, you still buy your bread from Checkers," says Dawson.

Surianarain concurs with Dawson on the small size of the informal sector in this country. [Youth] "are hustling," she says. Harambee's focus is on "how do we make sure that those hustles aren't precarious and they aren't going to push them into even more insecurity but they can actually sustain themselves and maybe get on the ladder to running a business or eventually a formal job."

For the moment Harambee is focusing on three goals to help youth succeed at their own businesses. First is providing a WhatsApp chatbot to 17 000 budding entrepreneurs. It helps them "think of their hustle, manage their budget, track their expenses, those sorts of things."

Second is to help them with simple



things like filling in forms for banks, for tax and the like as well as linking them to resources/loans offered by the Small Enterprise Development Agency (SEDA).

The final one is helping them work on their market – "you can't hustle if you don't have a market. We are partnering with various partners including funders to understand this [township] space a bit better," she says.

#### Vocational training and workplace experience

PYEI also works with the Youth Employment Service (YES), a businessled initiative, and with Harambee, to provide 12-month work experiences. More businesses are now using the PMN to access details on youth, their skills and their interests and recruiting them this way rather than processing thousands of job applications.

Businesses benefit by being able to improve their B-BEE scores while some are also able to apply for the Employment Tax Incentive to get a wage subsidy on any person they employ. YES's website claims to have created 65 420 work experiences, hardly denting the unemployment figures, but according to Surianarain, the important thing is that they have received solid work experience which can give them a foothold into something else. Harambee's statistics show the vital nature of work experience: retention rates for one-year internships are 76% while those who work

Lecturers from Eastcape Midlands College taking part in work-integrated learning at Compuscan Manufacturing in August, part of the High Gear project

(Pic: IYF / High Gear)

for six months are 90% likely to secure their job.

In addition to opportunities for workplace experience in companies, government is also supporting young people to access experience through the Presidential Youth Service led by the NYDA with support from the Jobs Fund.

"I have been working in this space since I was a youth, about 26 years ago," says Marock. "This is the first time that in addition to saying youth unemployment is important, government is saying, 'here is money for 35 000 to do youth service, here is money to help people work across social partnerships and to make PMN work', so it's not just that the money is important, it's signalling that we've got a chance to make this happen now."

Let us know what you think: Do these programmes have a chance to create jobs? Have you taken part in any of them? What was your experience?

# **NUMSA adapts to Covid-19**

*Covid 19 has wreaked havoc on workers' lives and has forced trade unions to change the ways they operate. Vanessa Le Roux spoke to Vuyo Lufele, Numsa Western Cape Regional Secretary, to find out what changes NUMSA has made.* 

#### What did the union do in term of its staff after the first announcement of the hard lock down?

We advised all staff to work from home during Lockdown Level 5. When the government moved from Lockdown Level 5 to Level 4, staff members [had] to declare if they have comorbidities with supporting doctors' certificates or letters so that they can continue to work from home.

#### How did the union survive financially?

We applied for TERS to mitigate the impact of this lockdown on the organisation as most of our factories were closed. We suspended petrol allowances as officials were working from home due to the Dispute Resolutions Centres being closed and employers were not willing to conduct face to face meetings.

### How did the union manage to have meetings during the different levels of lock-down?

We installed virtual facilities at regional level and assisted all organisers with data to be able to conduct virtual meetings with employers. This assisted even when lockdown levels were lowered as conciliations and arbitrations were [still] conducted through virtual facilities. Some arbitrations and conciliations are still conducted through virtual facilities even today.

#### During lockdown, the engineering sector collective agreement\* was up for negotiations, how did you manage the mandate-seeking process?

This has been the most difficult moment for the organisation. We have completely failed to collect the mandate from our companies as it was difficult to convene factory general meetings and shop stewards' councils.

We even-



NUMSA's Vuyo Lufele, WC regional secretary

tually used social media platforms, particularly WhatsApp, to communicate with our shop stewards. We advised shop stewards to establish WhatsApp Groups for our members in each company to communicate workers' demands and get feedback. We conducted Facebook live report backs.

We are still engaging employers on issues that we were supposed to strike over a long time ago because of the difficulty of mobilising. We are persuading employers to reach consensus on what workers deserve.

### What challenges did your members face during this period?

Our members have suffered. Some received zero increases in 2020 and some received very low increases in 2021. Many lost their jobs through retrenchments and company closures because of Covid-19. Some have accepted wage cuts of up to 30 per cent as a compromise to preserve their jobs. We lost members who died due to Covid-19 complications while some survived after being in Intensive Care Units (ICU). Some of our members lost family members.

#### Did the union adopt a new way of working? Do you see this as the new way of work?

We installed virtual facilities at a re-

gional level and union officials with electronic facilities are utilising them to conduct virtual meetings. The union is in the process of buying laptops for all local organisers. [Before Covid-19] these had never been regarded as essential tools as organisers were always expected to utilise desktops. They have been ordered to improve

service to our members. We see electronic systems becoming the future way of work.

Any general comments on the union's future with this pandemic far from over?



NUMSA Western Cape region's engineering members meet outside their office to decide on the way forward with the engineering dispute (Pic: Vanessa Le Roux)

This pandemic has

made life difficult for the union as its income has dropped drastically. Some unions have retrenched their staff members. NUMSA has not embarked on this yet. We are trying to minimise costs by slowing down on unnecessary expenditure.

\* The NUMSA NEC met on September 2021 and decided that since the employers had not improved their offer of 4.4% on minimum rates, the union would go on strike from October 5 2021. NUMSA is still open for employers to continue with bi-lateral negotiations. (NUMSA originally demanded an 8% increase)

# Whatsapp voice notes mobilise homebased workers

Confined to their homes because of Covid-19 lockdown regulations, home-based workers discovered that WhatsApp voice notes could be used as a powerful organising tool, reports **Vanessa Pillay**.

The WIEGO Organization and Representation Programme in Africa through a project funded by Comic Relief is supporting the organising of home-based workers (HBW) in Uganda and South Africa as part of the broader home-based workers' movement in the region.

HBWs are self-employed or subcontracted workers in the informal economy who produce goods and services from their homes, their homes are their permanent workplaces.

#### Lockdown causes despair

In both Uganda and South Africa when national lockdown was announced because of Covid-19 and free movement was restricted, HBWs were in despair. They could not sell what they had already produced, nor could they get access to any raw materials to complete existing orders such as crafts or garments. Without access to their regular means of earning a living, the uncertainty was a bigger threat than the prevailing health crisis. They faced income uncertainty and food insecurity as they depend on their daily earning for their livelihood.

#### Voice notes bring hope

Learning from street vendors in Sierra Leone, we introduced WhatsApp voice notes to maintain contact with the home-based workers and they were in turn encouraged to use WhatsApp voice notes to support each other and to sustain their organising.

We arranged meetings with the

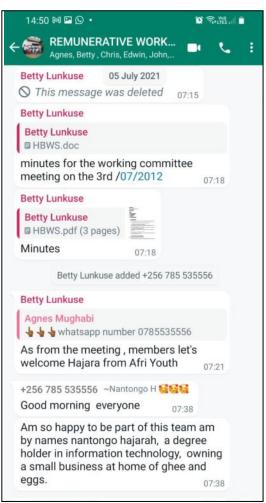
leaders via WhatsApp voice notes so that we could listen to their voices to hear how they were coping under the lockdown. We also wanted the leaders to feel connected to each other when they heard each other's voices.

The first Ugandan meeting started on a sombre note on April 6 2020. Everyone expressed their despair as they were not sure how long the situation would last, nor did they have enough savings to stockpile basic foodstuff for the unknown period ahead. In the same meeting the home-based workers realised that formal public sector workers around them appeared to be in a better situation as they were still getting paid by the state. The home-based workers felt ignored and abandoned so they wanted to communicate this to the government.

The leaders also realised that if they were feeling despondent then their members in the districts and villages around them were probably feeling the same or worse. We encouraged the leaders to reach out to their members by phone, just as we had reached out to them, to ask them how they were coping and what message they wanted to send to the government about how home-based workers were affected by the lockdown.

#### Voice notes mobilise

By the end of the first WhatsApp voice notes meeting home-based workers in Uganda and South Africa sounded less despondent and more



Above and over the page: Screenshots of the different HBW WhatsApp groups showing how they use WhatsApp to organise

determined to reach out to others even if it was just to encourage each other and feel connected.

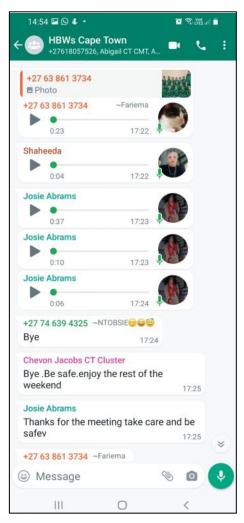
The Ugandans went further and mobilised around the question of 'what message do we want to send to the government at this time about the impact of the lockdown on our lives and our livelihood'.

HBWs spoke about six priority areas – health and safety, income and food security, communication and information, employment, financial services, agriculture, schooling and community education.

In seven weeks the leaders had mobilised responses from HBWs in all four divisions of Kampala City. On May 15 2020 the Ugandan HBW network of 19 organisations issued an open statement to government on the impact of the COVID 19 pandemic on HBWs' lives and livelihood in Uganda.

#### How did it strengthen organization?

Leaders were inspired to mobilise instead of feeling helpless. By collecting inputs from all HBWs about the effects of the pandemic and the lockdown the leaders were learning about democratic organisation and the importance of getting mandates from members. The leaders listened to the members' challenges and they were able to develop clear demands from those concerns. The HBWs also formed alliances with sister organiza-



tions, the national trade union centre and the media to have their open statement publicised.

#### What did we learn?

Convening organizational meetings using voice notes ensures organisational accountability because there is a live recording of the meeting that everyone can listen to at any time. It is an interactive and personalised communication platform when face-to-face meetings are not possible.

It is possible to participate in the meeting from anywhere as long as workers have data and clear network connection. The Ugandan HBW leaders have been using WhatsApp voice notes for monthly organisational meetings and they have trained members to do the same using their mobile phones as organising and mobilising tools.

Vanessa Pillay is Organization & Representation Programme Coordinator for Africa



# **Obituary—Drew (Andrew) Lindsay**

The humble, collaborative artist

Written by Steve Faulkner

In the middle of a pandemic, when so many have passed away, in circumstances too terrible to contemplate, often leaving behind, as one friend expressed in poetry 'the sour taste, of not being able, to say goodbye' it seems especially difficult to bid farewell to someone who was so very special to so many people, but I am going to try.

Last night we had a call from Cati, our friend and neighbour of more than 20 years about the passing of Drew (Andrew) Lindsay, from what appears to have been a repeat of an episode of heart failure. Many friends outside of South Africa will probably have never heard of Drew, but a walk around Joburg, and many other locations countrywide will find evidence of his work.

He was a community artist most of his adult life. He established and ran and lived at the Spaza Art Gallery in Troyeville, one of the poorest parts of our city, and which for almost 20 years has been home to countless art workshops, first time and more established exhibition openings, a tea garden, music and poetry events, comedy, dance classes, sublime food and gatherings of every description. Perhaps most importantly of all, The Spaza was a place where people from all backgrounds, and especially those who had very little, could enjoy a space where creative activity and thinking, contemplation, and sometimes raucous Sunday afternoons, were open to them.

Along with so many others, I made many lasting and deeply valued friendships under Drew's roof and via his infectious facilitation and enthusiasm. He was a terrific artist in his own right, but was always 'too busy' and frankly, far too humble to really promote himself.

#### **Collaborative art projects**

His collaborative art projects, involving many of those he helped train, are all over this city, and beyond. Marvellous mosaics and rich murals and glorious sculptures of footballers and miners, and so much more. His alternative maps of our City were art works in themselves!

But there was also so much not in the public arena. His dance classes at old age homes for those who were physically or mentally challenged are a case in point. My mother in law, recently deceased, loved his classes despite the onset of dementia. He would call excited and thoroughly delighted after a class and say 'Gwen was so animated today and giggled for almost



Clockwise from top left:

 Drew designed a logo for Numsa's education conference in 2005;
 Mosaics on the pavements in the fashion district

 He helped design Ditsela's logo
 Drew with another of his artworks in Joburg

the whole session'. There was never a question of payment. Ever.

More recently his mosaic and post-

er making classes with recyclers and waste pickers, built on his extensive creative work in the workers' movement, for which he had a very special affection. His quiet and gentle demeanour were simply irresistible. And he made art accessible. I would hazard a guess that more people in Joburg have art works in their homes that originated at or via the Spaza than any other gallery!

I do hope his oldest and dearest friends in the arts community will be able to catalogue all of the work he initiated and a record of his contribution can be made. He would blush at the very thought I am sure.

As all creatives know, the world of the arts is a very precarious one. It demands so much by so many for so little! Despite this, or maybe because of it, Drew invariably put other people's needs before his own. A serious heart complaint a few years ago did not deter him, despite the concerns of those who loved him. When recovered, he started up again with a head full of ideas and was busy right up to the point of his departure. It is not only the gentle six footers presence amongst us that we shall miss, but also the knowledge that he literally made life worth living for so many. And what a life!

Just a few days ago, he put up two small mosaics on our street, one opposite the house of another artist he was very fond of who tragically passed away some years ago, and one opposite our home, a little mosaic dog that I will also post. Both now stand to remind us that we have all lost a good soul, perhaps when we needed him most. Hamba Kahle Drew. Go well, in love and solidarity.

**Steve Faulkner** is a lifelong trade union activist.

This tribute also appeared in <u>Daily</u> <u>Maverick</u>