

# Is SA at tipping point?

Twenty years after democracy South Africa is experiencing a perfect storm of crises, the product of a number of simultaneous, deep-rooted, structural crises: political, economic, labour and social. These crises may be sign that the country's social and political power is going through change writes **William Gumede**.

**T**hese crises are likely to dramatically transform the politics of the country. Finance Minister Pravin Gordhan was right when he asked some time ago in rhetorically fashion, whether, South Africa was not about to experience an 'epochal transition', where we may see 'a new configuration of political and social power.'

Although it may not be immediately apparent to many, these crises South Africa is currently experiencing are indeed ushering in an 'epochal transition' in politics, economics and societal power.

The aftermath of the current constellation of crises may change the configuration of South Africa's politics, particularly politics within the governing African National Congress (ANC) - Congress of South African Trade Unions (Cosatu) - South African Communist Party (SACP) Tripartite Alliance.

It is likely to lead to the fragmentation of components of the governing ANC-SACP-Cosatu Tripartite Alliance, the formation of new organisations on the Left flank of the governing tripartite political spectrum, including new trade unions. Since 1994 most

of the fragmentation, splintering and consolidation of political organisations has been on the right or centre right of the ANC Tripartite Alliance.

## TIPPING POINT

South Africa faces a 'tipping point' where ordinary people are losing faith in the new democratic institutions, rules and social contract arrangements that underpinned the country's 1994 transition from apartheid to democracy.

These democratic institutions include parliament, the collective bargaining system, and the National Economic Development and Labour Council (Nedlac). But ordinary people also appear to be losing faith in the 'legitimate' institutions, such as political parties, trade unions and civic organisations - the organisations which pre-date 1994, which they are members of and support, and trust.

Some of the democratic and 'legitimate' institutions are increasingly seen by ordinary citizens as unresponsive, unaccountable or sometimes not relevant anymore.

Because these democratic and 'legitimate' institutions do not appear to be responsive,

accountable and democratic, people are increasingly looking to new ones, including populist ones, or are seeking answers in violence, as happened at Marikana or on the Western Cape wine farms in 2012.

The governing ANC, SACP and Cosatu) and its affiliates are among the 'legitimate' institutions facing crises of credibility.

These structural crises in society - their impact on the trade union movement, and the trade union movement's apparently inability to effectively deal with it - are among the reasons for the current deep divisions at national and affiliate level within Cosatu.

Cosatu and its affiliates face a number of stark choices, if they want to stay relevant, retain current and grow new members and not be overtaken by new trade unions and political formations, or to splinter into a myriad of smaller unions.

Clearly how to respond to the structural crises facing South Africa which are threatening the very existence, unity and relevance of Cosatu, is dividing the trade union federation.

## ARE WORKERS LOSING FAITH?

The social contract underpinning the new democratic South Africa was not only that racially based

advantages would be banished, but it is based on the promise that those who were racially disadvantaged during the long colonial and apartheid-eras would in the new democratic dispensation earn the democratic and economic dividends - and in return they would embrace the new democracy, its institutions and rules.

One of the key democratic social contract premises of the 1994 democratic agreement was that the old apartheid institutions such as the police, security, intelligence and armed forces would be transformed and imbued with a human rights-based and democratic culture, with democratic and civilian oversight.

The apartheid-style police brutality at Marikana and the continuing 'shoot-to-kill' police action during community protests against poor public services, corruption and unaccountable leaders, have shown not only a black life is still worth little. It has also shown that some institutions have remained as untransformed and unchanged under a black and democratic government as they were during the apartheid era.

South Africa's levels of inequality between the small elite of haves and the majority have-nots may have reached a tipping point, where long pent-up anger among the poor masses, may result in anger against the democratic and 'legitimate' institutions' for their seeming inability to reduce this inequality or protect them adequately.

The perception that the new democratic institutions and 'legitimate' institutions such as trade unions and the ANC are only benefiting a few privileged and highly politically connected individuals, if black, or a small white business elite, is another cause for mass resentment.

The anger and violence accompanying many of the community and labour market



*Matthews Phosa has asked why workers have lost faith in institutions.*

protests is an expression of the pervasive feeling of systemic unfairness experienced by many poor black South Africans over the decline of their material conditions while a small politically-connected minority are 'unfairly' getting fabulously richer using taxpayers' money, or on the back of old apartheid-era money or social privileges. Some examples of incidents that are increasingly sparking outrage in poor communities include:

- President Jacob Zuma's more than R200-million renovation of his rural Nkandla compound, using taxpayers' money.
- The staggering new wealth of black tenderpreneurs and Black Economic Empowerment (BEE) oligarchs who have made their money not through hard work, but solely through their 'political' capital and connections in the ANC and trade union movement.
- Rising incidents of corruption, self-enrichment and waste of supposedly scarce public money by public officials, who at the same time tell communities there is not enough money for development.
- Excessive pay packages and bonuses to chief executive officers and huge profits to shareholders while giving workers' low increases, being quick to retrench workers during downturns while not sharing profits with workers during boom times.

- Massive collusion by private sector operators and executives, such as in the bread, construction and milk industries, while telling ordinary workers to tighten their belts.

In addition, failed economic policies by the ANC government since 1994, several global crises, when the new South Africa's economy's entered the global economy, first the Asian financial crisis of 1997/1998, then several global commodity crises, and most recently the global financial and Eurozone crises have hit SA like a tsunami.

Since 1990, the mining sector has declined from 800,000 to around 300,000 jobs, the textile industry may have declined by

more or less the same number, and South Africa's manufacturing sector has been slashed. Those who lost their jobs were mainly black, low-skilled workers.

Given the continued slow economic growth, and the fact that many unskilled and low-skilled workers who have been laid off over the past decade have been unable to secure new jobs, many workers fear they may never get another job in their lifetime if they are retrenched. Those with jobs cling onto them – losing it, may mean never being able to get one again. Retaining a job and negotiations for higher wages are becoming do-or-die affairs – as in the case of Marikana.

Yet, in these desperate times for workers, they see in contrast

to their own vulnerability, many of their former trade union and ANC comrades either in cushy executive, BEE shareholder or senior government positions.

Within some trade unions, shop stewards and leaders are in executive positions of companies, boards or part of BEE deals – sometimes the very same companies they have to negotiate with for higher wages and benefits for their trade union members – which means there is a disconnect between the ordinary members and their leaders.

Not surprisingly many members question the very existence of some trade unions.

Mathews Phosa, the former ANC treasurer, in the aftermath of the Marikana explosion also rhetorically asked 'why have the workers lost faith in the legitimate (institutions)?'

Many ordinary Cosatu members believe that the trade union federation's alliance with the governing ANC has not brought enough rewards for them. Some Cosatu members are frustrated that the trade union federation's alliance with the ANC government cannot 'secure' them a 'living wage' and a 'social wage' (better public services).

There has been a failure by the South African state to deliver effective public services, such as quality public health care, education, transport, basic amenities and housing, widely, evenly and equitably to the black majority. One can call such public services a 'social wage'. This means during hard times, the South African state and institutions have not been capable of providing a cushion through such a 'social wage'.

As the state fails in delivering effective public services, and the 'social wage' declines, workers' wages are increasingly spent on alternatives to poor or non-existent public services. For

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*Kgalema Motlanthe has called for the renewal of the ANC.*

example, their wages are spent on expensive, dangerous public transport, because the public transport system is not working.

Sadly, in many cases struggling workers have secured additional funding to meet the rising cost of living from the mushrooming informal lending industry. Wealthier black and white South Africans can escape poor public services by subscribing to private ones: security, private health care and education, and 'safe' gated communities.

South African deputy president Kgalema Motlanthe, ahead of the ANC's 2012 Mangaung national conference warned in an interview that the ANC will decline amid increasing 'despondency' among its supporters, over lack of delivery on jobs, public services, accountability, amidst rising corruption, self-enrichment and indifference among the leadership.

Motlanthe said: 'There is no doubt about it that we need renewal or we're going south', warning that that ANC is 'ossifying', and 'clinging onto the truths of yesterday, which have no relevance today'.

Ahead of Cosatu's 2012 conference, Cosatu's general secretary Zwelinzima Vavi sketched an 'extreme' scenario in which the ANC and government would 'continue to degenerate', 'characterised by a preoccupation with leadership elections and the side-lining of policy questions'.

Motlanthe's and Vavi's scenarios are more likely than not to ring true.

Zuma responded to Motlanthe's call for the renewal of the ANC by saying Motlanthe was 'exaggerating', and asking 'where is the crisis', and saying 'South Africa is not in a crisis'. Thereby showing how appallingly complacent, aloof and insular, power and its trappings, has made the current ANC leadership.

## CRISIS OF CONFIDENCE IN UNIONS

A huge social distance has developed between such trade union leaders, who are well-off, and ordinary members. This deep social distance between trade union leaders and members has led to a crisis of confidence – among ordinary trade union members, in their trade unions and leaders.

In fact, some trade union leaders have become part of the small black elite, highly connected in the ANC who have become fabulously rich since 1994, mostly through political capital: trading seniority or closeness to it, in the ANC hierarchy, for senior positions in the public service, government contracts, and shareholding in established white companies through BEE.

Jobs in the trade union movement, whether as shop stewards or in other leadership positions are often well-paid and with generous benefits – an official can, for example, get a position on the company board or sit in committees awarding procurement – compared to those received by an ordinary worker.

A survey released by the Human Sciences Research Council (HSRC) in 2012 found that among the black and working-class South Africans, there was a rise in distrust of trade unions. Among people surveyed by the HSRC who said they are part of the black working class who distrusted the trade union movement rose from 21% in 2011 to 37% in 2012. A 2012 survey by the National Labour and Economic Development Institute (Naledi) found that one in three workers believed there was corruption in trade unions, and that their representatives colluded with company management.

The organisational report ahead of Cosatu's 2012 national conference warned about 'serious flaws in membership service across the board'. Cosatu will have to rectify all these weaknesses first.

For another, many Cosatu affiliated trade union leaders have become deeply embedded in the patronage politics of Zuma's ANC that they appear to be unable to represent their members' concerns credibly anymore.

Furthermore, some Cosatu leaders in their defence of the patronage they have been getting from the ANC leadership often spend a great deal of time defending, appeasing often – poor ANC leaders and getting enmeshed in internal ANC leadership fights – and concentrating less on bread and butter issues.

But many Cosatu affiliates in their internal operations, because of the trade union federation's embeddedness with the ANC, appear to have imbibed all the corrupt internal practices that are plaguing the ANC: manipulating of internal elections, vote buying and internal corruption.

In the Naledi survey, half of the respondents argued violence is legitimate during a strike to secure wage demands. Strikes have been regularly accompanied by extreme violence. The Naledi survey quotes one worker as saying: 'Violence during strikes is appropriate, because it is the result of the pain that workers feel.'

Vavi, in his organisational report to Cosatu's 2012 national conference conceded the widespread acceptance by Cosatu members of violence as a method to resolve demands 'tell us that we have a problem on our hands'. Clearly, the rising violence associated with strikes point to the inability or unwillingness of trade unions to discipline and hold members accountable. <sup>18</sup>

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