

Cosatu's investment arm in deep water

In 2002, Cosatu's investment company Kopano Ke Matla became a 50% shareholder in MicroMega Holdings – a company that provides metre reading services and products to local authorities and municipalities. This year a small group of Samwu shop stewards marched to Cosatu's offices to get clarity as to the relationship between Cosatu and MicroMega, as the company had embarked on a retrenchment exercise. **The Labour Bulletin** reports on these developments...

Last year MicroMega began retrenching workers - the majority of whom are Samwu members. It was during this time that the union became aware that Cosatu's investment arm, Kopano ke Matla had become an empowerment shareholder in the company. Their shareholding had been facilitated through an interest free loan of R5,6m by MicroMega. The loan had to be paid back at the end of a five year period. Samwu approached Cosatu to get clarity on the relationship between Kopano and MicroMega. The union was informed that Cosatu was not involved. However, both the Kopano and MicroMega websites revealed that a relationship existed. This was yet again brought to the attention of some Samwu officials in Gauteng. It was agreed that the matter would be sensitively dealt with directly with the Cosatu leadership.

The desired outcome of having an empowerment partner did not translate into the winning of additional contracts for MicroMega. Apparently, contracts are being awarded to companies who have empowerment partners who control more than 50% of the company. To change this situation, it is understood that the company has been in discussion with a consortium - Umzimkhulu - who include a number of individuals who represent a range of interests. Those included in the consortium are believed to be: 'Three heads of department in government and two ex-revenue managers from Gauteng'. The heads of department in Gauteng government allegedly include, amongst others, the head of local government, the head of safety and security in the Gauteng government and a senior person in the police Seta. There also appears to be representation by a private sector company. MicroMega would lend this group money to buy into the business so that it could be 75% black owned with the balance owned 25% by MicroMega.



Amidst these discussions, the company entered into talks with Samwu earlier this year around retrenchments. During the negotiations, the company raised the fact that Cosatu's investment company was a shareholder in the company. As a result, a group of shop stewards went to Cosatu in May to get clarity on whether Kopano is still involved in the company. The shop stewards were informed that Kopano had pulled out of MicroMega last year. The **Labour Bulletin** did a recent search of Kopano's website and found that reference was still made to its involvement with MicroMega. The same applied to the MicroMega website. Perhaps this is an oversight and the websites have not been updated. In the interim, more than 90 workers have been retrenched. **LS**