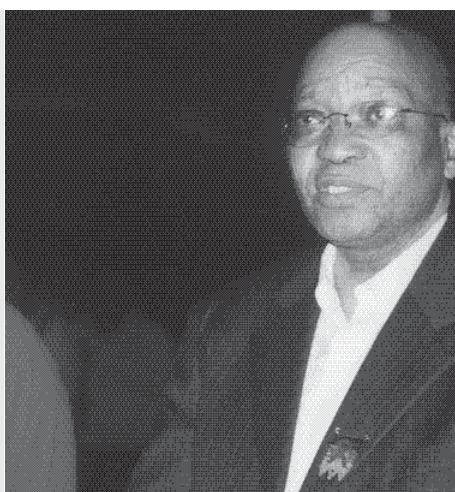


Pambili Nokulwa Nenkohlakalo: forward with the struggle against corruption!

Cosatu was forced to deal with corruption as delegates at the opening of its 8th national congress last year expressed their anger at the Scorpions' investigation into the activities of deputy president Jacob Zuma. **Hassen Lorgat** outlines some of the resolutions that Cosatu has adopted over the years in relation to corruption and good governance.



*Wenzen' uzuma we nguka
Khaw'uphendule wenulawula
AmaScorpions khaw'utshele
Ukuth' uzuma wenzeni*

*(you who is in charge of the
Scorpions tell us what has Zuma
done...)*

Cosatu's 8th national congress is not the first time that the federation has had to deal with issues of corruption and good governance. The minutes of the federations' 7th national congress in 2000, for instance, record that a resolution on eliminating corruption was adopted. The minutes state: 'The resolution was debated at length with many unions proposing specific amendments to improve the text. Thereafter the resolution was unanimously adopted by the congress'. In the 2003 secretarial report Cosatu general secretary Zwelinzima Vavi, noted that 'allegations against government leaders have become common place'. He continued to criticise sensational reporting but noted 'there is a serious concern about the level of corruption, which needs to be seen to being addressed'.

'Perceptions about corruption and actual corrupt practices in part derive from the huge gap that has emerged in living standards between ANC leaders and the

poor they represent.' He continued that 'objectively, the conspicuous consumption found in some of the government opens the door to improper behaviour. Thus, one government official was found taking money from interested parties to pay for a hugely expensive wedding.'

Vavi's secretariat report focuses on Zuma where he states that: 'politically, the allegations of corruption against the deputy president, which have come to the fore in the past few months are most serious. They fit a pattern of being raised in the run up of important political events, and as a result of this they themselves raise the spectra of political manipulation. Nevertheless, these allegations should be thoroughly investigated and dealt with as speedy as possible'.

Vavi then explained the dilemma in the broader progressive movement regarding the allegations of corruption being made against one of its favourite sons. 'The deputy president', he wrote, 'has played a

RESOLUTIONS ADOPTED SINCE 2000**Cosatu and good political governance [Numsa]**

Extants of resolutions

1. Cosatu to encourage good governance, and the ANC members in parliament and public positions must declare individual assets to avoid media criticism and adverse publicity that tarnishes the image of the organisation.
2. Cosatu to investigate the possibility of establishing provincial parliamentary offices to track changes in legislation and events that occur at provincial level.
3. The federation would use its provinces parliamentary offices to intervene on all matters affecting its membership.
4. ANC causes should include alliance partners, and labour should engage in these causes.

Moral regeneration and anti-corruption Resolve

1. Cosatu must educate members to be aware of white-collar crime and not to accept bribes. Cosatu must encourage further government to put stricter restriction on companies not to evade policies and rules governing their activities.
2. The federation should monitor companies and report those illegal activities to the relevant authorities for prosecution. It should encourage government to be vigilant in its monitoring of private companies.
3. Cosatu should have a code of conduct for elected leaders and officials as means to combat corruption. There should be strict enforcement on the code of conduct to prevent the squandering of financial resources. Cosatu should have set of procedure, process and penalties and those who will be found transgressing the code of conduct.
4. The federation should develop stringent measures on the funding of political parties. There should not be mixed with

other programmes that serve different needs.

State of the federation [Numsa]

Resolve

1. Congress to support the programme of organisational renewal adopted in previous central committee's meetings.
2. A key component of this organisational renewal must be to restore financial stability in all affiliates and the federation as a whole.
3. Leadership must be equipped with the skills of running organisational and implementing sound financial management in the union to safeguard workers' contributions. Building capacity amongst all union leaders and officials must commence immediately.
4. All unions' finances must be duly accounted for and audited regularly.

Black economic empowerment [Composite from Numsa & Fawu]

Resolve to:

1. call on government to put measures in place to ensure that tendering and procurement policies are in place
2. promote broad-based black economic empowerment, local content and job creation (Numsa)
3. only accept applicants with broad-based empowerment credentials and job creation
4. to call for a review of the Competition Act to strengthen the right of workers in relation to job security, conditions of employment and centralised.
5. to campaign against self-interest interpretation of black economic empowerment as project to privilege and enrich few black aspiring bourgeoisie (Fawu)
6. to meet with the competition authorities to ensure that greater emphasis is placed on employment issues.

Procurement [Numsa]

1. Most government structures, including parastatals such as Telkom, Transnet,

Denel and Eskom, that used to buy the bulk of their inputs locally are now buying from foreign companies, thus undermining local production

2. While all the government structures agree that procurement is the most powerful socio-economic instruments available to government to shape the development of the local economy, government and parastatals have been resting including local content in their procurement policies.
3. There is a growing problem of outsourcing and in formalisation of labour, which is emanating from small and medium enterprises that are receiving tenders from government structures and parastatals.
4. Government's and parastatals' decision to source inputs from foreign firms instead of local companies is resulting in plant closures. It also pushes firms to retrench workers in droves.
5. There is no uniformity on procurement policies in all organs of the state, including local government, parastatals and statutory commissions, which undermine some of the stated parastatals and stated key objectives (such as promotion of development and transformations of the country's economy) of the national government's procurement policy.
6. All levels of government must review their procurement policies to ensure that where cost permits, they support small-scale enterprise.
7. All organs of the state, including local government, parastatals and statutory commissions, should amend their procurement policy to be in line with the national procurement policy to ensure maximum uniformity across the board. This means that the current prevailing voluntary nature of the procurement situation, which allows very diverse systems, should be tackled by aligning all procurement systems to national framework.

Discouraging micro-loans and promoting collective savings [Samwu]

Extant of resolutions

1. Affiliates running such micro-loan schemes must inform Cosatu of their schemes, but in any event should terminate any contracts as soon as possible.
2. Affiliates should support the phasing out of stop orders for micro loan by employers and demand and agree on counselling and education programmes for workers to encourage them to avoid excessive debt.
3. Cosatu and affiliates must discourage loan shaming by union members.
4. We would support and promote the savings and credit co-operative movement based on principles of collective saving and mutual solidarity as the working class alternative, and demand immediate implementation of the Nedlac agreement to develop enabling legislation for co-op banks.
5. Continue our struggle for a living wage and a society based on equality in the distribution of material resources.

COMPOSITE RESOLUTION 2003

Cosatu and Good Political Governance and Moral Regeneration

Noting

1. Good governance must be maintained in an effective manner in all structures, and corruption must be eradicated. Certain public representatives from all government levels prey on the people and on society for personal benefit. In the process they tarnish the image and reputation of government by promoting illegal activities and abusing power through political means.
2. Some public representatives have not been responsive to the present and future needs of the community. Some public representatives undermine legal frameworks and it becomes difficult to enforce impartial decisions.

3. Cosatu has participated in and strongly supports the government's moral regeneration movement, aimed at forging a new South African morality, promoting non-racialism, non-sexism and non tribalism, combating corruption, and promoting a working class culture of caring and solidarity.
4. Capitalism as a system is inherently immoral and promotes corrupt practices. Private companies have continued to disregard corporate moral ethics by reaping financial rewards that cause economic turmoil and social upheaval. The private sector remains heavily untouchable and unaccountable with regard to ending corruption in their sphere, as well as undermines the King Commission report on corporate governance. This sector is a breeding ground for corruption.
5. Some companies are generating income and use their substantial reserves for orchestrating illegal or immoral activities. Many companies use tremendous amounts of capital to drive up equity-based compensation packages and transaction-based bonuses instead of investing the money in workforce training development and other activities that would strengthen the company.
6. Some leaders and officials in the unions get tempted to access funds in the union's coffers for their own personal gains. There is no proper code of conduct that guides unions in combating corruption.

Resolve

1. Cosatu must develop a comprehensive strategy to encourage good governance within its ranks and for public representatives.
2. To intensify our participation in the Moral
3. Members of political parties in government, including ANC members in parliament and public positions, must fully declare individual assets to avoid undesirable practices and adverse

publicity that tarnishes the image of the alliance.

4. Cosatu must educate members to be aware of white-collar crime and not to accept bribes. Cosatu must encourage further government legislation to stricter restrictions on companies to ensure that they do not evade policies and rules governing their activities.
5. The federation should monitor companies and report those illegal activities to the relevant authorities for prosecution. It should encourage government to be vigilant in its monitoring of private companies.
6. The proud tradition of worker control in South Africa has, amongst others, involved a strong discipline and sense of accountability in the handling of workers' money. A small minority however have violated this trust. These traditions need to be entrenched and codified to ensure that no elected leader or official is able to undermine financial accountability. There should be strict enforcement of the code of conduct to prevent the squandering of financial resources. Decisive action should be taken in terms of a clear set of procedures, processes and penalties, against anyone found to be transgressing the code of conduct.
7. The alliance should develop a stringent policy framework on the funding of political parties. There should be minimum standards and rules on funding, and such funds should not be mixed with other programmes that serve different needs.
8. Cosatu should lobby the democratic government to audit legislation to ensure that it excludes companies from government tenders that have been convicted of corruption in South Africa or other countries.
9. Cosatu, together with the government, needs to put in place strategies to monitor the private sector as well as the public sector to ensure that anti-corruption policies are adhered to.

critical role in maintaining the alliance behind the scenes and leading the campaign on HIV/AIDS. It would be a blow to the working people if the investigations drag on or tarnish his image or worse, if they prove to be correct.'

WHY THE NEED TO DEAL WITH CORRUPTION

The adoption of numerous resolutions on corruption and good governance is necessary, as corruption:

- erodes the moral fabric of our society
- undermines our democracy
- violates the moral fibre of every society
- subverts the rule of law which is the bases of most democracies
- undermines and in fact subverts development, and

- denies most societies – in particular the working class and the poor – because of the above.

It is for this reason that we need to take up the issue of corruption and use opportunities such as the recent parliamentary travel voucher scandal to point out that corruption is a societal ill and its solutions must comprise all sectors of our society: civil, government and the business sector. Vavi is correct to call for an accountable democracy when he says 'we cannot transform society unless we can ensure that the state and our leaders are answerable to the people. This means we will continue to hold public servants and elected leadership to a higher standard, just as we expect our own NOBs to be entirely above reproach.

Numerous resolutions dealing with governance and anti-corruption work were

tabled at the Cosatu congress (see box).

CONCLUSION

It is clear from the drafting and tabling of numerous resolutions that unions do take an interest in issues that go to the heart of what an accountable democracy must be. It should be acknowledged however, that in recent times the politics of greed has tendered to sidetrack unions, and other civil society organisations including government, and the private sector. The waters have become increasingly muddied through the decision of unions to dabble in capitalist orientated investment companies. In some instances union leaders have been 'seconded' to these structures and in the process become millionaires. The extent to which unions have benefited from these processes is subject to serious concern, which requires more discussion.

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