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CIRCULAR



NO: 22/2015

DATED: 13 October 2015

TO ALL PARTICIPANTS IN THE MOTOR INDUSTRY

NOTIFICATION OF NUMSA STRIKE ACTION 14 OCTOBER 2015

NUMSA submitted a 1(d) notice to NEDLAC on 30 September 2015 advising of their intention to embark on action to protest against corruption in the country.

NUMSA has now served a notice of the intention to embark on protest action, please refer to the Notice of Intention below, on **Wednesday, 14 October 2015**.

Should you require any further clarification pertaining to this strike action please contact the following Parties to the Council:-

RMI	-	011 886 6300
FRA	-	011 886 2664
NUMSA	-	011 689 1700 edwardr@numsa.org.za ; eliask@numsa.org.za
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The MIBCO Team



Numsa Press Statement on the Numsa 14th of October 2015 Anti-Corruption March

7 October 2015, Posted in [Press Releases](#)

A. The origins and foundations of South Africa's unique corruption

There is concrete evidence, and also an admission by a key individual with a conscience, Ronnie Kasrils, about the extent of the sell-out deals the ANC made with capital during the 1990s, namely that the ANC would only get political power, without economic power, and that no radical measures would be embarked upon to restructure and to transform the South African economy.

We now know for certain that those deals sold the struggle for liberation in South Africa down the drain, and instead they ensured that post apartheid South Africa would be an extremely corrupt neoliberal capitalist state and society. South Africa is now in that space – an Olympic gold medal winning corrupt neoliberal capitalist system and society.

In place of the radical and full implementation of the Freedom Charter, the ANC abandoned both the philosophy and ideology of the liberation struggle – which were based on moving South Africa out of apartheid capitalism and all its evils including corruption and environmental destruction, into a society free of racism, colonialism, patriarchy and one of shared human values, social and economic justice and a transition to socialism.

Such a society was not capable of being created on the foundation of our inherited racist and patriarchal colonial capitalism.

Secretly and publicly, the ANC sold the dream for a racism free, equal and just society for a neoliberal capitalist society, complete with the corruption that comes with that package.

Apart from accepting International Monetary Fund (IMF) and World Bank neoliberal capitalist dogma, and guaranteeing that land justice would never take place outside the capitalist markets, here are some of the deals the ANC struck with the devil, literally and figuratively, between 1990 and 1994:

- The ANC accepted to repay \$25 billion of inherited apartheid-era foreign debt (October 1993).
- They gave the central bank formal independence in the interim and final constitutions (November 1993 and July 1996).
- They borrowed \$850 million from the IMF with tough conditions (December 1993)
- They reappoint apartheid finance minister Derek Keys and SA Reserve Bank governor Chris Stals (May 1994).
- They agreed that South Africa would join the General Agreement on Tariffs and Trade (later renamed World Trade Organisation) on disadvantageous terms (August 1994).
- They agreed to lower the main corporate tax rate from 48% to 29% and maintain countless privileges

enjoyed by wealthy white people and corporations (1994-99)

- They agreed to privatise peripheral parts of the state (January 1995).
- They agreed to relax exchange controls (the 'finrand') and raise interest rates (March 1995).
- They granted permission to South Africa's biggest companies to move their financial headquarters to London (1999).
- Finally, of course, they adopt a neoliberal Growth, Employment and Redistribution (GEAR) policy (June 1996).

The adoption of the GEAR policy (June 1996) effectively buried any hope of sustaining any liberation ethos and cultures, as South Africa was now fully confirmed as a neoliberal capitalist state and society replete with all the cutthroat competition, capitalist greed and pathological craving for accumulation of wealth by all means necessary including all and extreme forms of corruption.

All that we have said above is in the public domain. Why are our own state regulators, academics and journalists not blowing the whistle? Why must it take the FBI to tell us the details of the \$10 million bribe that Thabo Mbeki and Danny Jordaan made to Sepp Blatter's cronies, and the \$6 million (R80 million) that Chancellor House made from the corrupt Hitachi deal to build Medupi's boilers?

In effect an elite has agreed to use its control of the state to allow the white racist colonial capitalist foundation of South Africa to remain intact, in the process, allowing white dominated and foreign corporations to continue with their economic activities unchanged. It has done this in exchange for a share of the spoils. We know some of them are direct beneficiaries. They are businessmen and women during the night and politicians during the day. And of course their families are crony capitalists night and day. Today, the ANC itself acknowledges this fact – just read their 2015 NGC documents.

There is no difference between the ANC and the network of public officials and private individuals who agree to corruptly allocate tenders in exchange for a share of the spoils. This behaviour is a logical and necessary corrupt character structure of the society that neoliberal capitalism thrives on.

B. NUMSA and the struggle against corruption

As Numsa we resolved, beyond the two demands that are taking us to strike, that we will use our 14th October march against corruption to target particular corporations and departments of government and employers that are key to our demands.

Numsa is very clear that the struggle against corruption is not one single battle in a single front. As Lenin put it, it is all-sidedness. The ultimate objective of our class struggle is to raise levels of consciousness of the working class to overthrow the system that advances greed as its main motive force, and replace it with socialism – the only truly democratic and civilised state for humankind.

It is naïve and foolish to expect corruption to be defeated in a social system that in fact thrives on the very corruption one may be fighting. Capitalism is corruption. Neoliberal capitalism is even more primitive corruption, as South Africa so eloquently proves today.

In Numsa we demand the full and radical implementation of the Freedom Charter and the struggle for a socialist South Africa as the only cures for all our social and economic ills.

Long before 1994, Numsa and our predecessors have maintained a consistent perspective that capitalism as a system of private individual greed does not have solutions for problems that confront humanity and our environment. As we take up the campaign against corruption, we remain resolute that the permanent solution to corruption is the overthrow of capitalism. We are dedicated to this cause.

C. The hypocrisy of the Cosatu leadership

Representing the *status quo*, the leadership of Cosatu has decided to maintain the Alliance in spite of its failure to deliver a corruption-free pro-poor and socialist development plan for society. In spite of a march with laudable objectives – saving jobs and halting e-toll road privatisation, which Numsa strongly supports – the leaders of the newly-renamed Congress of Sweethearts and Trade Unions (the post Numsa eviction Cosatu) have no intention of genuinely mobilising the working class to achieve these valid demands.

Just as they have split the working class by expelling Numsa, Cosatu is now continuing to divide the working class by boycotting the mass marches we are staging against state and corporate corruption. Instead Cosatu has opportunistically decided, at short notice, to call its own march to show that it can flex its muscles. We hope the muscles are strong, because these would be the muscles of the working-class – but we fear the brain of Cosatu is suffering from schizophrenia, because the leaders are marching the working class in the wrong direction, to the right.

Numsa will not attend the Cosatu march. Instead, Numsa members are marching on 14th October. We call on all workers from all sectors, and all citizens concerned with the corporate corruption of our democracy, to attend the march on Johannesburg on 14th October 2015.

It is our view that we have a corrupted economy if less than one per cent of South Africa's people control more than half our wealth. As French economist Thomas Piketty has recently said, South Africa is at the top of the class when it comes to inequality. The top 10% of the country's wealthy people take between 60% and 65% of the country's income. That compares with 45% to 50% in UK and 50% to 55% in Brazil. That is corruption, and it is shocking that since 1994 inequality has become worse than it was during apartheid, according to official statistics.

D. Our March and its demands

At the Legislature we have asked Treasury, DPE, DoT, EDD and Itac to collect memorandums. The essence of our demands go beyond rhetoric: we are demanding action on corruption now!

1. We will demand that government must dump the failed neo-liberal capitalist policies in the form of GEAR and the NDP, that are directly responsible both creating and deepening corruption and mass poverty, unemployment and inequality that are ravaging our country and leading us to self-destruction.
2. The government must move with speed to nationalise key companies and minerals and place them under worker control. Of immediate urgency are ArcelorMittal, Evraz Highveld Steel and Scaw Metals, and the whole value chain of coal, manganese iron ore and chrome, from which profits are exiting South Africa and prices for local buyers remain too high. We also need an effective local price for platinum to save the current capability of manufacturing and to champion beneficiation in order to create jobs.
3. Numsa is extremely concerned that orthodox capitalist ideologues, who advise the ANC to take this path, and the ANC-led alliance itself, have completely run out of ideas about how to save the country out of this national crisis. We are calling on them to bring back capital controls, to stop capital flight both legal and illegal, cut interest rates and increase tariffs to protect South African industries.
4. Numsa wants to acknowledge the work and efforts of the Department of Trade and Industry led by Rob Davies in championing localisation by designating that particular products must be produced locally in various sectors. But all this is being sabotaged by the neoliberal capitalist National Treasury, which works at a snail's pace to give instructions to SOEs, government departments and municipalities. Without those instructions, nothing happens and the DTI's good deeds become just words.
5. Whilst we acknowledge efforts by the Economic Development Department to work with us to save jobs, Numsa can no longer tolerate the failure of this department led by Ebrahim Patel to ban exportation of scrap or to impose an export tax on scrap, which is the result of an agreement reached

between DTI and the European Union. This failure has cost us at least seven foundries that are now closed. And now we are about to lose Scaw Metals and Cape Gate.

6. We also demand that government makes no restriction on our workers' rights to take their provident fund money. Workers fought over years to win provident funds instead of pensions funds, and we still do not trust the pension industry. Even the ideologically chaotic Gwede Mantashe has complained about how Old Mutual has ripped off our society by gambling in US real estate once it was allowed to leave South Africa (and he is correct to call for Old Mutual's return to the JSE.) Now there seems to be some attempt to convert the provident funds back into pension funds by the back door. This is one of the critical demands that the strike on the 14th will be about. And any quick implementation of such a scheme will be seen as the corruption that it is.
7. We demand that all State Owned Enterprises must put together stimulus packages to procure locally and stimulate the South Africa economy.
8. We demand an end to the legal and illegal export of capital which amounts to 30% of GDP.

We have a number of very specific demands:

1. Treasury:

1. To investigate the non-compliance of the Preferential Procurement Policy Framework Act and its local content regulations as required by S9 of these regulation.

2. To take steps against all those organs of state from national, provincial and local as well as SOEs that are not complying.
3. From DPE and DoT: Ensuring sourcing of local content in SOE procurement processes.
4. Ensure SoEs comply with local designation as set out by DTI, e.g. in Eskom, Transnet, etc.
5. EDD and Itac: to stop job losses.

Workers and working class communities across the country want us to make the following demands:

1. The South African Revenue Service (SARS), the South African Reserve Bank (SARB) and Finance Intelligence Centre (FIC) must investigate the problem of illicit financial flows, transfer pricing and money laundering in the country, and take strong steps to deal with the phenomenon. We worry that with Cyril Ramaphosa implicated in illicit capital flight to Bermuda by Lonmin – as a 9% owner in 2012 – and with the Zuma family's offshore wealth (such as the \$10 billion oil concession that Khulubuse won in the 'Democratic' Republic of the Congo), there will be only silence (or at best, soothing rhetoric) when it comes to the African Union's Mbeki Commission recommendations against illicit capital flows.
2. That the government releases to the public all forensic audits conducted in terms of section 6(2)(e) of the Public Finance Management Act (PFMA) and section 5(2)(d) of the Municipal Finance Management Act (MFMA); particularly the 2009 Sicelo Shiceka audit of potential irregularities and maladministration in municipalities in the North West. Although handed to the Directorate of Priority Crime Investigations and leading to several arrests and prosecutions for fraud and other irregularities, the Shiceka audit has never been released to the public.
3. That a multi-disciplinary team made up of National Prosecuting Authority (NPA) Priority Crimes Litigations Unit, South African Police Services (SAPS) Directorate for Priority Crime Investigation, the Office of the Public Protector and Auditor-General must investigate economic crimes committed under 'late apartheid' (1980-1994).
4. The strengthening of the Offices of the Public Protector and the Office of the Auditor-General. The trick to merge the Office of the Public Protector and the South African Human Rights Commission being cooked by the Speaker of Parliament Baleka Mbete using the 2007 Kader Asmal Report must be resisted.
5. The strengthening of anti-corruption laws such as domestic legislation such as the Prevention and Combatting of Corrupt Activities Act; the Prevention of Organised Crime Act; the Protected Disclosures Act (also known as the Whistle-blowing Act); and the Criminal Procedure Act, among others.

6. Measures on how to strengthen domestic anti-corruption institutions such the Directorate for Priority Crime Investigation (DCPI) – also known as the Hawks; the Special Investigating Unit (SIU); the Financial Intelligence Centre; the National Prosecuting Authority (NPA) which has a number of specialised units, including the Specialised Commercial Crime Unit; the Asset Forfeiture Unit and the Witness Protection Unit.
7. Probe the effect of corruption on the delivery of socio-economic services, the provision of adequate housing, basic education, healthcare services, water, social welfare and basic nutrition for children.
8. Conduct an investigation into corruption and economic crimes during the apartheid years in particular in relation to sanctions busting.
9. An end of the use of arbitrary golden handshakes to silence people or to remove those who are seen as determined fighters of corruption.
10. We demand the investigation of how life-style audits can be used to find out those who live beyond their means and fraudulently.

For the Department of Health:

1. We demand decent work for community health workers.
2. There must be a stop to the perpetual stock outs in public hospitals.
3. An end to corruption at CHB and other public hospitals.
4. Proper funding from Treasury of a robust National Health Insurance far beyond the scope of the minor pilot projects, and to include socialisation of all health insurance funds so that healthcare becomes a truly not-for-profit public good

On DMR and Chamber of Mines:

1. We support all workers, community activists, women and environmentalists who oppose the adverse impact of mining activities on communities, specifically workplace safety and health violations, dispossession of land, environmental degradation, air and water pollution (including greenhouse gas emissions causing climate change), and the looting of our resources by foreign corporations.
2. Amendments to the MPRDA, in particular, the non consultation with mining communities and the backpedalling on declaring certain minerals as strategic.
3. Nationalisation of our natural resources including all minerals.

At SARB

1. The SARB has been lax on transfer pricing, misinvoicing, tax avoidance and many other forms of corruption associated with transnational corporations in South Africa
2. Stopping illicit capital outflows by clamping down on those corporations, and by tightening exchange controls – which have been loosened at least 40 times since 1994 including in February 2015 to enrich rich people.
3. Collusion by currency traders in the major banks, as is currently being investigated by the Competition Commission.
4. All reports from the SARB and the FSB commissioned in October last year on currency trading must be made public so that people's sanctions can be imposed on these criminal banksters.

Numsa's strike of 14 October demands an independent commission of enquiry into corruption, and compliance with PMFA and preferential procurement. It must be independent because the elites running big business and government are not neutral. And it must report to parliament, not to the President.

We close by reminding ourselves that our government and corporations are considered by the firm [PricewaterhouseCoopers](#) to be the “*the world leader in money-laundering, bribery and corruption, procurement fraud, asset misappropriation and cybercrime.*”

We are sick of our country's reputation, especially, as the [Financial Mail](#) put it last year, that “eight out of ten senior managers in South Africa have either committed procurement fraud or bribed and engaged in

corrupt business activities. Asset misappropriation leads on the list of the so-called 'big three' economic crimes, followed by human resource fraud and bribery and corruption."

It is time to end the systemic corruption in our society, and after we march in central Johannesburg, on the 14th of October 2015, the big corporations and foreign banks that are doing so much damage in Sandton can expect a visit.

We repeat: all workers, employed and unemployed, belonging to all unions, and un unionized, must attend this march, it is their march against the brutal South African capitalist economy and society, and for a socialist South Africa.

We are confident we can defeat capitalism and the corruption it thrives on, if we can unite the working class behind a programme for a Socialist South Africa.

Issued by Numsa

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