

# Sloganeering and coat-tails – A response to some South African activists

John Appolis, Ahmed Jooma and Shaheen Khan have kindly passed on texts they have produced dealing with the current political situation in South Africa, as well as a contribution to discussion by Oupa Lehulere.

I must apologise for the delay in responding to these texts. It is not easy to orientate oneself from a great distance away.

I have to confess I am still at a loss to understand why the various authors continue to place their hopes for the future in an alliance with this or that faction of the “official” liberation movement, the ANC, when the country has seen major irruptions of the working class into public affairs. The events around the miners’ struggle and Marikana unleashed a huge wave of industrial action. All this was reflected in the December 2013 Special Conference decisions of Numsa and the progress made since then in consolidating a combative new trade union federation.

The fact is I find the arguments presented in these texts unconvincing and misleading.

Ahmed and Shaheen compare the current situation in South Africa with that in Germany in 1932, on the eve of the Nazi seizure of power. On this basis, they recommend that workers and young people in South Africa should fall in line behind the Democratic Alliance, the South African Communist Party, the various anti-Zuma factions of the African National Congress (ANC) and the Economic Freedom Fighters (EFF) of Malema in the “Zuma Must Go!” bandwagon. To ward off the danger of being overwhelmed by all of that, they append a wordy “socialist” programme and cross their fingers behind their back.

Revolutionary tactics cannot be deduced from a cook-book. Empiricists identify any phenomenon abstractly (that is, they reduce it to a name, a suitable label, leaving out all its complexity, internal and external

contradictions, motion, indeed its very life) and place this definition confidently in the appropriate pigeonhole. When another phenomenon arises with superficial similarities to the first, they say: "Ahah!", sort through their files, triumphantly fish out the label and the attached recipe and tie it to the new situation.

They forget the warning traditionally drummed into medical students: "Therapy is easy; diagnosis is difficult". Patients who present with apparently similar symptoms may be suffering from very different diseases, and require quite different treatment

Without writing a full-on history of Germany between the World Wars, it is useful to recall some essential details about the situation in which revolutionary Marxists called for a United Front of working-class parties to stop Hitler from coming to power.

For all her problems, Germany under the Weimar Republic was a highly-developed modern, industrial, imperialist state. There was a very numerous and politically-conscious working class which had built not only its own mass, nominally Marxist, Social-Democratic Party (SPD) but also a the most significant revolutionary Communist Party (KPD) outside of the Soviet Union.

This working class had made enormous experiences of struggle in the course of World War I and the following 14 years. At one point a short lived-socialist republic had been proclaimed. Workers had organised strike waves, military and naval insurrections, a general strike to defeat a right-wing coup attempt, workers' and soldiers' councils in many cities and actual Red Armies in some industrial regions. In 1923, the year of the great inflation, there had been serious moves to prepare, equip and carry out a workers' revolution.

The large German Communist Party was inspired and materially supported by the successful revolution in Russia and the workers' state established there.

The Nazi regime was a reckless, foolhardy (and of course profoundly criminal and barbaric) option forced upon the German bourgeoisie by the rival imperialist powers who prevailed in World War I. It was underpinned

by a (fairly) worked-out ideology of blood, soil, violence and conquest. This involved extreme nationalism, racism (towards all allegedly “non-Aryan” races and most immediately affecting the millions of Jews living in Europe), a leadership cult based on utter subjection of the mass, hero-worship, militarism and a simplistic concept of the survival of the fittest. Another aspect of this ideology was utter hatred of all kinds of Marxism and a determination to stamp out Communism in the USSR and everywhere.

We do criticise the policies and actions of the Soviet-led Communist International (CI), and consequently of the German KPD, during the period of “bonapartist” rule by Heinrich Brüning, Franz von Papen and Kurt von Schleicher between 1929 and 1933. First of all, these alleged Marxists did not see the real depth of the coming catastrophe. They had a mechanical view of the effects of the economic meltdown of 1929.

The CI of the day saw the Social Democrats (the reformist socialist party) and the Nazi Party as “not antipodes but twins”. After all, a Social-Democratic government inflicted welfare cuts and austerity measures on the working class and sent armed police to shoot workers demonstrating on May Day. A Social-Democratic minister had said in 1919 “someone has to play the bloodhound” and unleashed vicious right-wing paramilitaries on revolutionary workers. Could the Nazis be any worse?

But of course, they were!

The second mistake the CI made, as a consequence, was that they did not anticipate what damage Hitler would inflict on the workers’ and socialist movement, which was comprehensively crushed with the use of extreme violence and intimidation once Hitler was elected German Chancellor. The CI and KPD leaders thought that Hitler’s accession to power would generate enough mass resistance among workers to lead to a Communist counter-stroke: “After Hitler, us!” they said.

The third mistake the CI and the KPD made was to believe that they could win over Social Democratic workers by propaganda alone, just by brow-beating them with arguments. They offered a “United Front from below” to SPD supporters against their own leaders. In effect, they were saying:

“if you agree with us, join our United Front on our terms” instead of “let’s see how we can get your leaders to work with ours to stop Hitler”. This attitude let the leaders of the SPD and the trade unions “off the hook”, because it was clearly not a serious attempt to overcome the division in the working class. If they had been sincere about a united front, the KPD leaders would have negotiated jointly-acceptable terms on which to organise one with the Social-Democratic party and trade union leaders. In the face of the Nazi threat, such a workers’ united front could have made sense.

It is worth quoting what Trotsky wrote in 1932 in Germany, *What Next?*, not in order to appeal to some Holy Writ, but to get to grips with how the dynamics of class relations are approached:

“Without hiding or mitigating our opinion of the Social Democratic leaders in the slightest, we may and we must say to the Social Democratic workers, ‘Since, on the one hand, you are willing to fight together with us; and since, on the other, you are still unwilling to break with your leaders, here is what we suggest: force your leaders to join us in a common struggle for such and such practical aims, in such and such a manner; as for us, we Communists are ready.’ Can anything be more plain, more palpable, more convincing?”

In precisely this sense I wrote – with the conscious intention of arousing the sincere horror of blockheads and the fake indignation of charlatans – that in the war against fascism we were ready to conclude practical military alliances with the devil and his grandmother, even with Noske and Zörgiebel.”

But there was another side to the question of the United Front, a tactic which the Communist International under the leadership of Lenin and Trotsky had adopted: applied incorrectly, it could also become a cover for passivity and inaction. Further on in the same text, Trotsky wrote:

“In the hands of the Stalinist bureaucracy, the policy of the united front became a hue and cry after allies at the cost of sacrificing the independence of the party. Backed by Moscow and deeming themselves omnipotent, the functionaries of the Comintern seriously esteemed

themselves to be capable of laying down the law to the classes and of prescribing their itinerary; of checking the agrarian and strike movements in China; of buying an alliance with Chiang Kai-Shek at the cost of sacrificing the independent policies of the Comintern; of re-educating the trade union bureaucracy, the chief bulwark of British imperialism through educational courses at banquet tables in London, or in Caucasian resorts; of transforming Croatian bourgeois of Radich's type into Communists, etc., etc. All this was undertaken, of course, with the best of intentions, in order to hasten developments by accomplishing for the masses what the masses weren't mature enough to do for themselves."

The mistake the CI leaders then made after they had digested the depth of the disaster that Hitler's take-over represented, was to believe that there was a way to prevent the spread of fascism by forming an alliance with "democratic", anti-fascist capitalists in which the interests of the working class were clearly and officially subordinated to the leadership of the bourgeoisie. This policy of a so-called "Popular Front" also enters our story, because it is the entire foundation and backbone of the policy of the CI's successors (although the body itself was wound up during World War II) towards the colonial liberation movement in general and the African National Congress in particular. They dressed this tribal and bourgeois formation up as the main revolutionary force in South Africa and systematically over many years did everything they could to subordinate the South African working class to it.

But it was the black working class which drove the struggle against apartheid forward. Nevertheless in 1990-1994, the ANC, supported by the SACP and in close dependence upon imperialist governments, the mining monopolies and the parties of the white minority, carried out its own form of "state capture". Subsequent history (as many can explain) has exposed what this "state capture" actually meant.

### **Is Zuma Hitler?**

No, Zuma is Zuma.

Since the end of apartheid rule, governments of the ANC in alliance with the SACP and Cosatu have all provided a democratic screen, engaging the

support of as many local forces as possible while serving the interests of international capital. Apartheid was ended and majority rule installed by arrangement with the international mining companies, major banks and imperialists governments.

The Triple Alliance was cobbled together from individuals in exile all over the world parachuted into positions of authority in the major institutions, including the trade union movement. "Sections" of the South African bourgeoisie black and white were appeased to various extents to make the Triple Alliance workable, while the commercial headquarters of the big mining companies were prudently moved abroad to major imperialist centres such as London. It is the imperialists' requirements which have predominated ever since under a veneer of national independence and self-government.

But the Triple Alliance was fragile and it is breaking up, above all under the pressure of the masses, first and foremost the working class.

Now candidates for power in South Africa must demonstrate to the satisfaction of their international imperialist masters that they can directly confront and subjugate that pressure. Zuma is up for the job, equipped with the necessary qualities and eager to enjoy the fruits of such work.

Such regimes practice a level of self-enrichment at the expense of their own peoples which is not merely tolerated but actually encouraged by their international patrons. These regimes were conceived in corruption and live by it. They steal state property with impunity, rob the public treasury and have been known to "nationalise" and then take over (or sell to cronies) traditionally-owned tribal land, etc.

They will play every vile trick to protect their access to wealth, including crushing democratic protests, imprisoning and murdering opponents and fanning ethnic differences into open conflict.

To retain local control over their populations they rely on tribal elites bought with a fraction of the loot often alongside the straightforward rule of gangsters.

Such are the shared characteristics of African “independence” regimes. And for that reason, they are instable regimes of crisis. But although they share some features with fascist regimes (for example, suspension of the “rule of law”, crimes against the people, even outright genocide in some cases) they are not as such fascist regimes.

Labelling them “fascist” can be quite misleading. Tony Blair and George W. Bush branded Saddam Hussain a “fascist” in order to justify the second Gulf war. They went to war against the “fascist” Hussain, but it was the Iraqi people they were aiming at and actually hit. You could say the same about their treatment of Libya under Ghaddafi and Syria under Assad, all in different ways.

### **Confusing Popular Front and United Front**

“The Popular Front”, Ahmed Jooma and Shaheen Khan correctly say “is the main strategic weapon of the bourgeoisie to tie the hands of the working class to the interests of the bosses”. However, they soon go on to urge NUMSA and its allies to plunge straight into – a sort of Popular Front!

They spend five sentences enumerating the forces predominating in the “anti-State Capture Movement” which make it very clear that this is a mass popular movement around a “single issue” (i.e “Zuma Must Fall!”). They then write: “The class character of these movements is not as important to ordinary people as the fact that they are ready to take up the fight practically and immediately”.

Yes, it is good for the masses to get involved in political action. But it is the job of revolutionary movements to point out the things which are really important to ordinary people above and beyond what the bourgeoisie presents as important.

Ahmed Jooma and Shaheen Khan think that the presence of a working-class force inside the movement armed with “its own programme and banner” will magically convert the Popular Front into a United Front. It is worth quoting what they say in full:

“20: The task of the proletariat and its leadership is to join the general movement. However, in doing so it enters the fray under its own

programme and banner. It applies the policy of the united front which is 'unity in action'. March separately. Strike together".

However, they have just spent more than a few lines describing the class character of the "general movement" in considerable detail, which makes it clear that this movement is NOT a workers' united front but a cross-class popular front irrespective of whatever programme and banner we Marxists "enter the fray" under.

Comrade Appolis ("Critical Comments on the article: *Platform of the Left Bloc in the Zuma Must Go Campaign* by Comrades Ahmed Jooma and Shaheen Khan") notes the discrepancy here (which is to his credit). He also sees the need to build a core of politically-conscious leading activists with a breadth of vision which extends beyond the parochial. However, he both turns his back on the main force able to bring about such a cadre (which is NUMSA and the new trade union federation) and proposes a different version of the same popular front which Ahmed and Shaheen put forward:

"The working class and its forces should enter this conflict with its own vision, strategy and demands. It should enter it against the big bourgeoisie and its system of accumulation by calling for Zuma to go. And this call is in line with the sentiments and mood of the masses".

Further on he notes: "the working-class movement exhibits numerous weaknesses – organisationally, politically and ideologically. It is marked by fragmentation, low levels of mass implantation and has a very disperse advance guard who are caught up in the immediacy of its issues."

He is impatient of the developments among organised workers:

"The trade unions are only now in the beginning phase of shaking off the effects of years of false politics, bureaucracy and inertia. Legalism and an excessive emphasis on an industrial relations' approach to class struggle seems to still frame its politics and methodologies. Its social base is not as yet at the cutting edge of anchoring a mass movement. NUMSA/SAFTU have so far express some correct sentiments but have a way to go."

It is true that trade unions cannot solve all the political problems of



the working class. The characteristics which John Appolis lists reflect one side of the conditions under which trade unions operate: they deal with the day-to-day problems of their entire membership containing a wide range of men and women with a variety of outlooks; they deal with bread-and-butter issues; they deal with employers; they stand up for their members' rights day by day within with the legal and political framework of class relations and understandably both work within it and work to improve it using established channels.

Trade unions have to have an administrative machine and responsible leaders. If they are doing their job properly they have to spend a lot of effort on organisational matters. This is their strength as class organisations but at the same time it makes them susceptible to the influence of the employers' class.

What was overwhelmingly striking, following Marikana and the resulting wave of mass industrial working-class action, was that the leaders of NUMSA decided to use their union's resources in order to lay the basis for a political development by their class. The quantity of experiences mounting up of 20 years of majority rule under the Triple Alliance turned into a new quality, the determination to work for a new political organisation which would fight for the interests of the working class, the fulfilment of the promises of the liberation struggle.

The trade union movement is not just some undifferentiated mass. There is a mass movement and there are leaders at various levels. Some leaders were not equipped to draw political lessons from the struggles that broke out. Others were loath to escape their intellectual vassalage to the Triple Alliance. It is enormously to the credit of NUMSA's leadership that the union has taken forward its special conference decisions of 2013 into re-building the strongest possible unity in a new union confederation around new positions in the movement.

Unlike them, Comrade Appolis is looking for a short-cut to overcoming the movement's "numerous difficulties". He says:

"What the demand for Zuma to go offers is an opportunity to unite these struggles, give them a national expression and a connection to a common

national cause. The present conjuncture requires this qualitative shift in the struggles of the working class. And the Zuma must go provides the basis to effect such a qualitative shift.

“The unification of these struggles on a national basis will not amount to an artificial manoeuvre. Rather it will organically weave together the thousands of different struggles of the masses into a national stream. This will place the working class in a position to articulate an alternative ideological and political explanation of the political economy of corruption, of the class character of the ANC and its factions, of the nature of the South African social formation and the position of white monopoly capital therein”.

On this basis, he asserts: “This coalescing and cohering of a nation-wide cadre of militants with their thousands of connections with the concrete struggles of the masses is the key task of the moment”.

To achieve this, he proposes:

“The starting point is to convene a National Assembly of Representatives of the Struggling Formations of the Working Class, especially those at the cutting edge of the anti-corruption struggles, for instance Outsourcing Must Fall movement, Abahlali Freedom Park, Housing Assembly, Tembelihle Crisis Committee, SECC, Black Sash, R2K and many others. It is these formations that must anchor the movement against the Zuma Bloc and white monopoly capital. The coalescing of these formations on a national scale with clarified class perspectives on the political economy of corruption and crystalizing around a common set of demands shall enable the working class to make its presence and imprint felt on the national anti-corruption movement. NUMSA and SAFTU are to be engaged to be part of this initiative. At some point overtures should also be made towards COSATU to come on board.”

However, he proposes all this under conditions where the movement is dominated by the demagogy of various self-seeking sectors and above all of the Economic Freedom Fighters of Julius Malema.

**“White Monopoly Capital” and demagogy of every kind**

Oupa Lehulere is even more pessimistic about the role that organised labour can play than is John Appolis. But this only becomes clear at the end of a long and rather confusing article, *Cronin and Company harness Marxism to the service of White Monopoly Capital (The SACP and the Cronification of Marxism)*, which foregrounds the significance of “white monopoly capital”.

At the heart of Lehulere’s emphasis on “white monopoly capital” is the idea that the future of the mass movement must involve an alliance with one or another “sector” of South Africa’s black bourgeoisie as a stepping-stone into the political arena; that such an alliance is essential and possible against the common enemy, “white monopoly capital”.

To put it briefly: The whole basis for the “Zuma Must Fall” agitation is that in robbing the state finances alongside his Gupta associates, Zuma is seeking to (or obliged to) “capture” the South African state, turning it from a democracy of some sort into his own personal fiefdom.

The existence of black capitalists in South Africa is noted and they are classified into two main sectors. The “credit” bourgeoisie are said to be those who were bought off by the big international corporations with credits which enabled them to become shareholders and then branch out into businesses of their own. (One thinks of the former miners’ union leader Cyril Ramaphosa).

The “tenderpreneurs” on the other hand, are those who exploit any kind of relationship with the ruling alliance in order to win contracts to carry out public or government works. Jacob Zuma and his Gupta associates are meant to be placed in this category.

It is made into an article of faith that these are two separate groups who constitute the South African black bourgeoisie. Essentially, all those who call for the South African workers’ movement to advance by joining the “Zuma Must Fall” campaign are arguing for the workers and the masses to support the “credit” sector of capitalists.

Zuma carried out a cabinet reshuffle in March this year, removing Finance Minister Pravin Gordhan and replacing him with the supposedly more

malleable Malusi Gigaba. Gigaba appointed as an advisor a well-regarded left-leaning associate professor at Wits University, Chris Malikane.

Malusi Gigaba may have had good reason to believe that Malikane was a Zuma loyalist, but he apparently had not gone into detail about how he (Malikane) rationalised that position. That became clearer when people got around to reading what Malikane actually wrote. Take *How to break monopoly white capital* for example (<http://www.iol.co.za/news/opinion/how-to-break-monopoly-white-capital-8779291>).

Malikane starts dramatically by saying: "The class structure under colonialism or apartheid remains intact. The African is at the bottom of the food chain. The darkest skin performs the toughest job at the lowest wage."

He goes on: "Even within the capitalist class, the darkest skin is the lowest in the hierarchy. It should also be mentioned that, within the African capitalist class, the upper stratum which is credit-based is found inside, and accumulates directly through, established white monopoly capitalist structures."

And: "White monopoly ownership and control of state power is even more secured if the government in place is democratic, since the masses believe 'this is our government, we voted for it'. Yet, what cannot be explained is why 'our government' is failing to resolve our centuries-old problem of white monopoly of social power.

"The battle over the removal of the finance minister is the battle waged by white monopoly capital in alliance with the credit-based black capitalist, against the rise of the tender-based black capitalist class, which also has links with the leadership of political parties."

He explains further: "South Africa has now entered a phase of intense rivalry between capitalist groupings. In this phase, it is not possible to advocate political abstention, especially of masses of the oppressed and super-exploited African working class.

"The fight against white monopoly capital and its black/African allies,

is an integral part of the struggle to consummate the national democratic revolution.”

(The reference to “consummating the national democratic revolution’ rings rather hollow in the mouth of a man who asserts that “white monopoly ownership and control of state power is even more secure if the government in place is democratic”, etc.)

“The tender-based black capitalist class”, he continues, “is not likely to win without the support of the mass of the black and African working class. Unlike its white counterpart, the tender-based black capitalist class has no coherent historical international backing. Its relationship with the organised working class, which is the only force that is capable of disrupting white monopoly capitalist power at production, is very weak if non-existent.

**“Nevertheless, from the standpoint of the objective analysis of the class forces, in so far as the tender-based capitalist class has begun the war against the dominant white monopoly capitalist class, it has to be encouraged.”** (my emphasis – B.A.)

And in order to “encourage” that “tender-based black capitalist class”, Malikane took a government job under Zuma!

Apart from that one little detail, his proposals are the mirror image of those of Ahmed, Shaheen, Appolis and Lehulere. They all say that the South African working class is in no state to lead the struggle; its only hope to get into the game is on the coat-tails of this or that “sector” of the bourgeoisie; either sector. Toss a coin ...

Lehulere is so enamoured of the phrase “white monopoly capital” that he uses it nearly sixty times in his article. It is a conception he profoundly shares with Malikane (and many on the radical left in South Africa). It is a phrase which seems to evoke the condition of the black masses, and it does capture one side of the imperialist oppression of the people of South Africa. However, it leaves out so much about imperialism that is easily abused by demagogues.

If it is thought mainly to be the whiteness of the foreign monopolies

(which are indeed in the main run by rich white men) which enables them to exploit and oppress the people of South Africa, then the suggestion is left open that black capitalism is a less daunting prospect.

What is startling is that Malikane's proposals are also barely different from the proposals of Julius Malema and the Economic Freedom Fighters (EFF), proposals which "radical lefts" such as Rehad Desai now laud to the skies in the TV documentary *Julius vs the ANC!* "White monopoly capital" continues to rule South Africa, is the cry. Resources and industries must be taken away from the control of "white monopoly capital" and nationalised.

The fact that Chris Malikane's attitude is simply as it were a photographic negative or reversed mirror image of the attitude of the EFF etc. places Lehulere in a certain difficulty. While he understandably defends Chris Malikane against the cynical sophistry of the South African Communist Party's Cronin, his own adherence to the theory of "white monopoly capitalism" is uncomfortable. Mouthing the catch-phrase "white monopoly capital", one could support Zuma against his opponents, or just as easily support Malema, the SACP, the Democratic Alliance et al against Zuma. It is a formula tailor-made for demagogues.

To put some distance between himself and Malikane, Lehulere drags in a disagreement over the question of the state.

It would of course have been quite enough to say that Malikane's decision to accept a job as an advisor to a minister hand-picked as a crony by Zuma was either misguided or unprincipled. He (Malikane) may have imagined that the job would enable him to advance the nationalisation of the country's resources and their mobilisation to fulfil the needs of the population.

But if Lehulere had merely expressed that simple truth, it would have left open to view how threadbare is the illusion that any "sector" of the South African bourgeoisie is interested in furthering the interests of the working class in any way.

So Lehulere raised his understandable disagreement with Malikane's career choice to the level of a principled disagreement over the nature of the

state. Lenin is dragged into the discussion, not to mention Gramsci. We are told to concern ourselves not with “inside the state” or “outside the state” but in a different state. It is wrong not merely to sell yourself for a job on the Zuma payroll, but to direct any demands on the state.

Now whatever Lenin thought about the state (and his works are available for all to study), he never thought the working class (and the broader masses) could ignore it. He encouraged workers to place demand upon the state, to raise their political demands at the level of the government, the state and the legal system, to try to place their own representatives in institutions at that level.

The task facing the South African masses has little to do with individual lefts taking government jobs. What is needed is what NUMSA has put forward: a united front throughout the masses alongside a movement for socialism, enriched by a study of the examples of struggles for socialism around the world and leading to the formation of a genuine workers' party.

There are no short cuts to this. The organised working class in the unions in the new federation needs to be a backbone of iron sustaining this movement. The work has to go forward systematically and soberly. It can only succeed if, alongside a growing mass of conscious support, a cadre is steeled in the course of the struggle. The movement must train itself not to be stampeded or derailed by demagogues of any stripe. The stakes are too high.

Bob Archer, 23 June 2017

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**Half a million people to take**

# to the streets on Wednesday 19 March in demand for youth jobs

17 March 2014, Posted in [Press Releases](#)

Yesterday Sunday 16 March many of you woke up to posters on lampposts announcing that "Numsa declares war". Unfortunately, little did the posters tell you what the war was all about. Also not properly explained was the fact that the battle that made yesterday's newspaper headlines involved not only the National Union of Metalworkers of South Africa (Numsa) but hundreds of community groups, faith-based organisations, other unions, numerous women's groups, taxi associations and a number of youth formations. This coming **Wednesday (19 March 2014)** close to 500 000 people will take to the streets to demand jobs for young people. After Greece and Spain, South Africa has the third highest unemployment rate in the world for people between the ages of 15 to 24. Half of the people between the age of 15 and 24 are unemployed in this country. About 71% of all unemployed people in South Africa are between the ages 15-29. Most of them are women; the majority of which have never had a job in their lives. As workers and parents, we are no longer prepared to fold our arms while our children remain jobless. We are also tired of political parties and business organisations that often refer to youth unemployment as a ticking time-bomb but do little to address the problem. As workers we also cannot continue to use our meagre wages to send our children to schools, colleges and universities to only find them wallowing in hopelessness as they cannot find employment after completion of their studies. Youth unemployment is a real problem in South Africa. **It is time for those with power to act!** On **Wednesday 19 March 2014**, we as a coalition of trade unions, community groups, faith-based organisations, student groups, organisations of unemployed people, taxi associations, women and youth formations; we will march in seven towns (Johannesburg, Cape Town, Durban, Port Elizabeth, Bloemfontein, Emalahleni and George) to highlight



the issue of youth unemployment and demand real solutions to the problem.

### **Youth unemployment demands real and not false solutions:**

When presenting his Budget Speech on 26 February this year, the Minister of Finance Pravin Gordhan announced to a great applause in the Houses of Parliament and from the press gallery that since the introduction In January 2014 of the youth employment tax incentive, there have been

56 000 beneficiaries of the scheme. Little did the Minister tell us that the Employment Tax Incentive Act that President Jacob Zuma signed in December 2013;

- made it possible for employers to backdate the claims for the subsidy to October 2013. So many of the 56 000 people that the Minister referred may have been employed last year.
- for the 56 000 beneficiaries there will be no mandatory training.
- that for those in his 56 000 beneficiaries where there is no bargaining council agreement or sectoral determination or collective agreement; there will be no enjoyment of benefits such as provident fund and other benefits.
- No figure is given for actual jobs created since the Act was signed.

### **Why are we opposed to the Employment Tax Incentive Act?**

The *first* thing that South Africans must note with the Employment Tax Incentive Act is that what is being proposed is something broader than a youth wage subsidy. The Act proposes two *additional* categories of workers to be subsidised:

- workers who work in Special Economic Zones (SEZs) as envisaged in the Special Economic Zones (SEZ) Act that was recently passed in Parliament.
- workers in industries that the Minister may designate by

notice in the *Government Gazette*.

In both these additional categories of workers, there is no age restriction. Subsidised workers in designated industries and in SEZs could be older than 29 years. The Minister has the power to move beyond the 18-29 years bracket through designation.

This means that employers in SEZs get an extra “bonus” benefit in the zone together with the other benefits in the act.

The *second* thing that we need to note is the hypocrisy of the whole thing. While we hear everyday about how social grants create “a culture of dependency” among the poor and that there has been the rejection of the demand for a Basic Income Grant, employers seemed happy to accept handouts from taxpayers in the form of tax concessions or subsidies for them to open factories and create jobs. It looks as if the philosophy that underpins the legislation is that; *handouts to the poor are bad but good for the capitalist class!*

As this coalition we remain opposed to the Employment Tax Incentive Act for the following **NINE** reasons:

**Reason 1: The Act asks the working class to subsidise employers.**

As the Act says no incentive will be paid in respect of employees who earn more R6 000 a month. The bulk of qualifying employees in terms of the Act pay no income tax as the current tax threshold (2013) is R67 111. This means that an employer can withhold the subsidy he is entitled to from the general tax deductions. Tax which workers pay for schools, hospitals etc can be used by the employer as his subsidy!

This in effect means it is coming from workers and to an extent the middle class. It is they who will work to subsidise the capitalist class.

**Reason 2: The philosophy of the Act is that 'handouts' to the poor are bad but good for capitalists!**

The philosophy of the Employment Tax Incentive Act is that grants to the poor are bad but good for capitalists. The government is prepared to forego revenue to entice the capitalist class to create jobs. This is the same capitalist class that speaks about how social grants create dependency and that grants are unsustainable. The Act is also being implemented by a government that has thus far refused to implement the Basic Income Grant and which makes no effort to pay current social benefits at anything near a decent level.

**Reason 3: The Act is based on the assumption that it is 'high' wages that are causing unemployment and not the refusal of the capitalists to invest that leads to joblessness.**

The idea behind the Employment Tax Incentive Act is that it is 'high' wages that are the cause of unemployment; which is why we must subsidise wages. Unfortunately for capitalism even its supporters in the World Bank no longer believe this. In its 2013 *Development Report*, the Bank argues that youth wage subsidies have not worked.

The architects of the Employment Tax Incentive Act are however silent about the "investment strike" by the private sector that has been going on in South Africa for many years. No-one seems to be able to put a figure on this but there is little disagreement that it exists. It is the problem of the refusal to invest on the part of the capitalist class that government refuses to tackle head on. It is this avoidance of the real problem that leads them to false solutions such as the tax incentive scheme.

**Reason 4: Even sectors with agreements are not immune from abuse.**

The drafters of the Act do not seem to know the distinction between ACTUAL and MINIMUM wages. In the implementation of the

Employment Tax Incentive Act, eligible employers can bring in qualifying employees and pay them minima in the agreements. The implications for a two-tiered labour market therefore remain with one group of workers on actuals and subsidised workers on minimums.

In collective bargaining this will have an inevitable downward push on wages in general. This is not “greedy” workers trying to protect their own conditions. Each worker in South Africa supports many more who are at home and unable to find decent work. In reality the vast majority of workers in this country, have no bargaining protection and don’t even negotiate their wages!

**Reason 5: The dangers of displacement of older and permanent employees are not totally eliminated**

Although the Act states that an employer will be deemed to have displaced a worker if the “order of court or otherwise, reveals that the dismissal of that employee constitutes an automatically unfair dismissal”, for us this is not good enough. For a start the employee must prove that he or she was displaced because of the subsidy.

The worker must then wait for the Labour Court to decide that the dismissal was caused by displacement. Employers are never likely to announce that a worker is being dismissed to replace him or her with a subsidized employee. Workplace reorganization will cover a multitude of sins! An employee could be dismissed, or leave in one unit and be replaced with a worker from another unit. The job of the replacement worker could then become subsidized. No new job has been created, the number of jobs remains the same.

But more serious in relation to any potential unfair dismissal case is that in the case of Special Economic Zones (SEZs) and industries that the Minister may designate, there is no age limit. So we cannot use age as the basis of an “automatically

unfair dismissal” case.

**Reason 6: Fraudsters are not disqualified!**

In the original bill an employer who committed fraud would be disqualified from receiving the subsidy. In the Act that was passed although, there is a new penalty of R30 000, the automatic disqualification for receiving the subsidy in respect of other employees has been removed. According to the Act, a fraudster employer may not be disqualified if the Minister feels that the effects of the disqualification may directly or indirectly have an impact on employees of the employer.

**Reason 7: There are still no mandatory training provisions in the Act.**

Although there is some talk about regulations for training, these are very weak. The key word to watch in the Act is “MAY”; which is a very weak commitment. The Minister may or may not prescribe regulations requiring training or skills development. Don’t believe what is in the ANC Election Manifesto. The law says the Minister “may” pass regulations! They are not there.

**Reason 8: The Minister of Finance still has wide ranging powers.**

Except the consultation with the Minister of Labour on the training regulations that may be prescribed, the Minister of Finance still retains too much power. The Minister does not have to consult with other Ministers or stakeholders when designating industries for qualifying employees and eligible employers. Nor is there any provision for criteria that would guide the Minister’s decision.

**Reason 9: The Act bypassed NEDLAC.**

As this coalition we still maintain our view that the Act

should have been tabled in NEDLAC as it is a socio-economic policy. This is what the NEDLAC Act requires. This was also the commitment in the Youth Employment Accord.

### **Don't believe what truth twisters say!**

Last Monday 10 March, members of the ANC's Economic Transformation Committee (ETC) attacked our opposition to the Employment Tax Incentive Act and accused Numsa of speaking with "forked tongues". Leading the pack was the architect of the employment tax incentive scheme Finance Minister Pravin Gordhan and unfortunately Numsa's former general-secretary Enoch Godongwana. Both claim that Numsa is dishonest in opposing the tax incentive scheme because "tens of billions of rands worth of government incentives have over the past years gone into the auto industry and that such incentives have kept the auto industry alive".

Displaying the buffoonery that characterises what he says or does these days, the Secretary-General of the ANC Gwede Mantashe was blunter than Gordhan and Godongwana. According to Mantashe, "Numsa accepts incentives for the capitalist class in the automotive industry but refuse government subsidisation of unemployed people".

In the workshops that we have run in all our 52 locals since January 2014, we have dismissed as disingenuous the criticism that as union we accept incentives for the capitalist class, but refuse subsidisation of unemployed people. As indicated above it is not all incentives that NUMSA is opposed to.

We are opposed to schemes where the working class is forced to subsidise capitalists. The APDP works differently from the employment tax incentive scheme. Yes, through the duty-free import credits the state foregoes some revenue for the fiscus but this is different from asking the working class to subsidise capitalists. The incentive scheme in the Act uses PAYE and avoids touching profits.

Gordhan, Godongwana and Mantashe conveniently forget that the APDP, through Numsa 's intervention has other components such as Vehicle Assembly Allowance (VAA) and Production Incentive (PI) that promote local production and local assembly. Our support for APDP and opposition to the Employment Tax Incentive Act is not double speak or opportunism. Our support for the MIDP and now APDP is premised on our overall objectives of job creation, localisation and creation of decent jobs.

### **What are we then demanding?**

In place of the false solutions that government is putting forward, WE DEMAND:

- A repeal and scrapping of the Employment Tax Incentive Act.
- Macro-economic policies that increase the demand for labour such as a tax system that penalizes companies who pay out dividends instead of reinvesting in job-creating activities.
- Credit and the lowering of the cost of capital for job-creating companies and sectors.
- A move beyond public works programmes to public-sector employment programmes.
- Training of apprentices, learners, experiential learners and interns to achieve qualifications.
- A job-seekers grant or a basic income grant instead of a subsidy for employers.

### **Our strike is protected:**

The strike on 19 March is protected in terms of the Labour Relations Act (LRA) as the unions have served notices to the National Economic Development and Labour Council (NEDLAC). Every worker can join the strike without fear of dismissal or victimisation.

**STRIKE FOR YOUTH JOBS**

## AGAINST FALSE SOLUTIONS!!!

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Or

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# Black Thursday at Marikana

By Radoslav Pavlovic,

Workers International to Rebuild the Fourth International

While a heat-wave and panic in the northern hemisphere have set off rocketing corn prices, in the southern half it's supposed to be winter. But the seasonal silence has been shattered by the gunshots of the South African police on Thursday 16 August 2012. 34 miners at the Marikana platinum mine were killed, some 80 wounded and more than 250 arrested. It was a bloodbath of a kind unknown since the days of Apartheid, but with the difference that the killers and their victims are both black, while the mine owners and those giving the orders are still white.

The miners were killed because they were on strike demanding an increase in their poverty wages and rejected the management's instruction to go down the mine. So capitalism, which long since entirely entered its second stage of rotten decay, is now passing over to its third stage where free collective bargaining of wages reverts to slavery. There is just one nuance in this new class relationship: power is still in the hands of white capital, but they work through black sub-contractors in the African National Congress (ANC) and the majority union, NUM, whose leader is on the platinum mining company's board of directors. Remember how the lords of German



capital bought the services of the socialists Ebert and Noske when they needed to behead the proletarian revolution? Well the same thing is happening today in South Africa.

I have a brother living in those far-off lands in the south, but I feel closer to my black brothers who are the Marikana miners, because ties of class are stronger than ties of blood. I know that on the football terraces of Zagreb, Belgrade, Warsaw and Moscow hordes of fascist football fans hurl racist abuse at black players and call them monkeys, because they are deluded into believing that they themselves belong to a blue blooded and blond-haired white master race. They go on from abuse to physical attacks on black immigrants on the underground, like the Golden Dawn do in Greece ("Black Death" would be a better name). If there are no migrants where you live, you can always pick on your own local Roma. Then you graduate to organising militias, like the Serb tigers, eagles and wolves in the war in Bosnia and elsewhere, before ending up with regular military units for "special operations", "anti-riot" squads or "national security", in the small Balkan countries as much as in South Africa. If capitalism really is guided by a "hidden hand", it is the white hand of capital operating behind the scenes. If workers get disobedient, there are plenty of the unemployed, thirsting for violence, to turn into uniformed killers.

President Zuma, Commissions of Enquiry, reporters asking "who shot first" are just so much hot air to divert public opinion. What they did is, on the orders of white capital, they shot black miners down like sparrows.

May the memory of our black miner brothers of Marikana live for ever!