

**POPCRU**



**JUSTICE FOR ALL**



## **Political Overview**

Comrades National Office-bearers, National Executive Committee members, Provincial Executive Committee members, Alliance partners, Fellow Affiliates, Invited guests, Most importantly, Comrades delegates to this Central Executive Committee

### **1. Introduction**

On behalf of the National Office-Bearers of the Police and Prisons Civil Rights Union, receive our fraternal greetings.

We welcome you all to this all important Central Executive Committee meeting that meets once per annum which, among others, is aimed at giving a broad direction covering organisational, political, educational and policy issues within the union. This also includes giving effect to the aims and objectives of the union and to assume such powers as necessitated by our constitution.

This, by the way, is the last Central Executive Committee for the current term of office, and it is quiet significant in that over the next year, we will not only be going to our 9<sup>th</sup> National Congress, but we will also be celebrating our union POPCRU's 30<sup>th</sup> anniversary of relentless struggles for the civil rights not only of our members within the criminal justice cluster, but for the safety, security and a brighter future as part of our goal toward transforming the criminal justice cluster in defence of the working class struggle for the advancement of the national democratic revolution.

### **2. In memory**

Before delving into many issues we are here to discuss, we think it important to remember our fallen comrades who recently passed away. We lost four senior comrades of immeasurable integrity within the alliance.

- **Cde Sechaba 'Charles' Setsubi**

Cde Sechaba Aloys Cosmas Setsubi, known to many POPCRU members simply as Comrade Charles, passed away on the 12<sup>th</sup> of March 2018 at the age of 70.

For most, we will forever hold on the fond memories of his jovial, interesting ideas that he has for many years shared in POPCRU events, especially at the National Political Schools.

He was a member of the SACP's Central Committee and Political Bureau, a veteran of our liberation movement who served under the unit led by Cde Chris Hani. Charles Setsubi, as he was fondly known within the ranks of the SACP and the ANC-headed liberation alliance by his combat name, which was his younger brother's real name, and which frustrated the efforts of the apartheid regime to arrest him, was a full-time professional revolutionary.

He started as an active underground functionary of the ANC in 1970 while a student at the University of Fort Hare and left for exile in 1975, accumulating ideological, political and military knowledge, experience and capacity since then. He received specialised training in the spheres of class ideology, politics and military art and science in the former Union of Soviet Socialist Republics [USSR] between 1975 and 1976.

All these comrades had in their character the will to self-sacrifice as theirs was a genuine struggle for the liberation of our people, and not once since the advent of democracy have they abandoned these values, something we should all emulate in the midst of all the current self-serving challenges that have marred and discredited our movement and its objectives.

- **Edna Molewa**

On the 22<sup>nd</sup> of September former Minister of Environmental Affairs, Cde Edna Molewa passed away after a short trip from China. She championed nationally and globally the environmental integrity of a sustainable planet earth that can be shared and enjoyed by all nations and all people, rich and poor, and has distinguished herself in many capacities and causes from her contribution to our liberation to fighting for equality of women in our society.

It was under her stewardship of the Environmental Affairs Department that the historic Paris Agreement to combat climate change was signed at the United Nations in April 2016, a global feat that she was credited as playing a large part in.

- **Mandla Makupula**

On the 8<sup>th</sup> of October, we also lost yet another credible comrade of integrity, Cde Mandla Makupula from the Eastern Cape. He was identified and recruited by the underground machinery of our movement for liberation and social emancipation while he was a learner at Wongalethu High School, and became a young activist in the underground politico-military structures of the movement.

Affectionately known as ‘The Principal’ in recognition of his passion in teaching Marxism, he would consistently attend POPCRU events to share his knowledge in substantive Marxist education, something which he also did for both the YCLSA, SACP and the ANC. He successively served as the MEC for Education, and was a SACP Central Committee member.

- **Eric ‘Stalin’ Mtshali**

Lastly, we lost Comrade Eric ‘Stalin’ Mtshali on the 12<sup>th</sup> of October, who was 84 years old. He was a former member of parliament, former Deputy Commissioner of Crime Intelligence in Kwa Zulu-Natal. His death and those of his generation mark the end of an era of a rare breed of freedom fighters who were groomed to be highly political, to be trade unionists, to be Umkhonto we Sizwe [MK] combatants, to be organic intellectuals and, above all, to be patriotic. All these Mtshali grew to be.

Mtshali’s trade union activities started with organising dockworkers, a time when industrial unions were almost non-existent. The National General Workers Unions was the easier route, yet this was a direct challenge to the principle of organising workers according to the industry in which they work.

When SACTU was formed in 1955, it embraced the industrial principle, but at its fifth conference it passed a resolution endorsing the formation of General Workers Unions as a temporary home while the industrial unions were being formed. SACTU local committees were tasked to lead the transition to the industrial unions and Mtshali played a role in this. Mtshali was one of the founding members of SACTU.

**Let us please rise in their memory.....**

**We thank you.**

### **3. Reflections on the previous CEC decisions**

- **POPCRU national march and responses**

**Comrades**, our last Central Executive Committee exactly a year ago deliberated on numerous issues, more on the need to see real changes to workers' conditions of employment, better wages, promotions and benefits.

Noting the many outlined research work done at our last Collective Bargaining and Policy Conference based on these and many other issues, it was evident that conditions were on a decline with police officers faced by insufficient resources to do their work, police killing to name a few, and with understaffing and overcrowding, delays in completing the implementation and finalisation of the Occupation Specific Dispensation agreement of 2009 within the Department of Correctional Services, the slow process in the nationalisation of traffic.

It was on the basis of these unnecessary delays that we came up with a program to ensure more pressure is exerted, and a team was tasked in arranging a national march which also served to generate public consciousness about our plight. Besides the fact national march did generate the much needed awareness expected, and the different departments were represented, the responses in carrying out these demands made were not wholly sufficient.

The SAPS made commitments to jointly look into these challenges, while the DCS has remained indifferent and arrogant through and through. All this happens in the context of their department continuing to fail in many regards; the continuous failure of implementing their core mandate which is to rehabilitate, the dilapidating infrastructure and a declining staff complement due to their consistent creation of a culture of creating fear among the staff complement at every opportunity.

Just last week, 21 employees at their headquarters were told they are dismissed without and dismissal letters, something which the Labour Court disregarded.

We need to take the opportunity in this CEC to raise questions about these departments' willingness to resolve workers' challenges within the criminal justice cluster as a matter of urgency. The one thing we will never do is to compromise on workers' rights.

- **Challenges within the Hawks**

We also have challenges within the National Directorate of Public Prosecution, otherwise known as the Hawks. The evidence being presented in the Zondo Commission into State Capture does not portend well for the current and future status of the Hawks as it has long been suspected that they were captured during the previous era. They have for some time been accused of attempts to prosecute people on the basis of trumped up charges designed to persecute as a matter of public record. However, the depth of the malaise in the Hawks appears from the given evidence of some witnesses that there were efforts from the hawks to protect those in the orbit of the then leadership and those of some powerful and wealthy families, creating a real impression that the rot runs deep and wide within the Hawks.

They are a creation of an era in our democratic dispensation, and custom-designed to enable state capture, and unlike the Scorpions before them, they have been obliged to account to politicians. The Scorpions reported to a public servant which is the National Director of Public Prosecutions. In constitutional terms the National Prosecuting Authority is obliged to act independently or “without fear, favour and prejudice”. Most importantly, independence from political influence and interference is a vital feature of the make-up of this institution.

Clearly this vision was at odds with the State Capture project underway at the time, and as a result, the Hawks are now on their third legislated incarnation, while being far from fulfilling the functions envisaged by the courts than they were in their first incarnation.

As it stands, the messy aftermath of State Capture, the need to end impunity, the desperate financial requirement to recover assets and funds misappropriated during State Capture- all these factors call for a fresh look at their intended mandate and necessary changes to fit them. They are beyond repair when it comes to fighting ostentatious corruption, kleptocracy and the capture of the state. Instead, they have demonstrated to fear the powerful, favour the corrupt and act in ways that are prejudicial to the public will.

In recent time, interestingly, has been that through the outcries of individuals and groupings over the Steinhoff and VBS sagas, the very people who have for long been expressing disappointment and distrust at the Hawks seem to have changed tune, and are now arguing that the Hawks and the National Prosecuting Authority [NPA] are the best suited structures to ensure justice is done in ensuring those accountable are brought to book.

Besides the fact that political power has shifted from one person to the next, is it convenient to forget without making a thorough assessment and instantly regain faith on the basis of politicians running the show? In the first place, the Hawks are supposed to operate on the basis of lack of fear and favour, so it should not matter as to who holds political power. POPCRU among others has strongly argued that state organs should not be abused to settle political differences, and that these organs have a constitutional mandate to exercise their duties and functions without fear, favour or prejudice.

The criminal justice system is the cornerstone for ensuring the rule of law functions in an effective and healthy way. This is why South Africa's Constitution places primacy on the independence of various institutions, such as the NPA, the Hawks and the Independent Police Investigative Directorate [IPID].

Over the past few years however, the conduct of various prominent officials within the criminal justice system has severely undermined this constitutional principle and the very foundation of our democracy. Their integrity and conduct have been questioned. While noting that the NPA is staffed largely by skilful and honest people, there are clear challenges facing this vital agency of the criminal justice system.

#### **4. 13<sup>th</sup> COSATU National Congress outcomes**

##### **Comrades**

We take this opportunity to congratulate our federation COSATU on its successful 13<sup>th</sup> National Congress held in Midrand, Johannesburg from 17 to 20 September 2018. The Congress was guided by the theme, *“Deepen the back to basics*

*campaign, consolidate the struggle for the National Democratic Revolution and advance the struggle for socialism”*. Delegates representing COSATU affiliates unanimously elected new national office bearers led by Comrade Zingiswa Losi as President.

We congratulate Comrade Zingiswa as the first female President, and equally the entire collective of the newly elected COSATU National Office Bearers, the First Deputy President Comrade Mike Shingange, Second Deputy President Comrade Louise Thipe, Treasurer Comrade Freda Oosthuysen, General Secretary Comrade Bheki Ntshalintshali and Deputy General Secretary Comrade Solly Phetoe.

POPCRU will continue intensifying relations with all affiliates and COSATU to develop working class leadership of our National Democratic Revolution and lay the indispensable basis for the advance to socialism. This will include consistently working together with the federation’s newly elected leadership to forge, advance and deepen a common radical programme to tackle and eventually eliminate the system of capitalist exploitation of workers.

We are quiet hopeful that the elected leadership collective’s priorities will be centred on building the much needed workers unity in our common quest to deepen the back to basics campaign, consolidate the struggle for the national democratic revolution and advance the struggle for socialism. We came out of this 13<sup>th</sup> Congress more eager towards ensuring that we advance a program to build our unions on the ground, ensuring that all leaders, organisers and shop stewards spend most of their time and the resources of the organisation servicing workers at the workplace and that our primary interest is centred on defending workers’ interests.

We assert that the task of building stronger workplace unions and our federation COSATU must be anchored by the intensification on an ongoing campaign that ensures the satisfaction of our membership, and our common demonstration of unity should be based on robust and comradely engagements, unity which is anchored on the founding principles of the federation including the principle of collective leadership and democratic centralism.

To this end, POPCRU will be working with all its might to defend and promote these ideals within its ranks and beyond.

- **Zondo Commission of Enquiry**

There have been calls for establishment of a Commission of enquiry to ascertain the depth and authenticity of corruption within government and SOE's. Former President Zuma had appointed the Commission of Inquiry to investigate allegations of state capture, corruption and fraud in the Public Sector including organs of state within the set terms of reference and simultaneously appointed Deputy Chief Justice Raymond Zondo, as its Chairperson.

The stage is now opened for those with genuine information to come forward and present evidence to assist the Commission. We want to see as to what extent and by whom attempts were made through any form of inducement or for any gain of whatsoever nature to influence members of the National Executive, office bearers and or functionaries employed any state institution or organ of state or directors of the boards of SOE's. In particular, the commission must investigate the veracity of allegations that have been publicly mentioned. We want to know the nature and extent of corruption, if any, in the awarding of contracts, tenders to companies, business entities or organisations by public entities.

Whilst we appreciate that the Commission was ultimately appointed for specific mandate, there should be an overall look on the broader corporate capture, which did not start nine years ago, but for decades earlier.

## **5. ConCourt Judgement on the between POPCRU and SACOSWU**

**Comrades**, for the longest time, collective bargaining arrangements between trade unions and employers have operated on the majoritarian systems. This simply means that where a trade union had more than 50% membership within a company or a workplace, it had exclusive organisational rights such as access to company premises to meet with its members, represent members, stop-order facilities for members' subscriptions deductions as well as collective bargaining. This was codified in the Labour Relations Act of 1995 that favoured majority unions.

The recent case where a new minority union, SACOSWU, secured organisational rights within the Department of Correctional Services [DCS], the majority union POPCRU objected and the case went all the way to the Constitutional Court which, on the 23<sup>rd</sup> of August 2018, decided in favour of the minority union. The question then becomes is: What are the implicating factors of this decision?

**Comrades,** Firstly, organisational rights in the Labour Relations Act [LRA] are important to trade unions and collective bargaining because they guarantee employees' rights to freedom of association, protect employees and persons seeking employment, provide rights for trade unions and employees' organisations and act as a procedure for disputes to name a few. Our contention as POPCRU has always been that the DCS has entered into an agreement with SACOSWU, giving them organisational rights, agreements which include stop order facilities, rights to hold meetings during working hours and rights to represent members.

We had previously taken the matter to the General Public Services Sectoral Bargaining Council [GPSSBC] where the arbitrator ruled in our favour, arguing that the DCS cannot grant SACOSWU organisational rights because of the existing legislation where groups of people must meet certain requirements, inclusive of thresholds.

The point here is that SACOSWU did not and still does not meet any threshold within the DCS as per the collective agreement between the POPCRU and the DCS as the employer. Now, on what basis were they granted organisational rights? Was the DCS not violating its own agreement? In answering this important question, we need to firstly make a reflection on how and why SACOSWU was constituted.

The facts are such that this union was formed by disgruntled senior DCS managers who were aggrieved by the POPCRU-signed Occupation Specific Dispensation [OSD] agreement 2 of 2009 signed on 24 June 2009, whereby the DCS was a 5-day establishment and translated into a 7 day establishment.

In essence, SACOSWU is a union that prioritises the needs of senior managers within the DCS, while it mobilises ordinary members under the pretext that it will take care of their needs and interests. It is a gentleman's club that was formed for the elitist within the DCS upper echelons. While we respect and give due regard to freedom of association, our view is that the decision to give it organisational rights serves to undermine workers' unity and their collective bargaining power in the sense that it opens up floodgates for every Tom, Dick and Harry to continue in the same path which could possibly lead to multiple unions being formed within sectors.

This could be detrimental for both unions and employers because if we consider the mining sector at the present, there are five recognised unions therein, all with differentiated demands. This state of affairs makes the process of negotiation for the benefit of workers more difficult, and it ultimately leads to the destruction of the sector due to the lack of consensus and the legal battles that would be generated from these differences.

Further, our South African economy is said to be among the top five when it comes to the strike rate and labour disputes in the world. In essence, allowing unions to proliferate will definitely exacerbate this challenge, which will in turn adversely affect our economy while employers also utilise this opportunity to use unions against each other, as is the case with the formation of both SACOSWU and SAPU; both launched by management to counter the one union able and capable of really serving the interests and aspirations of its membership.

It can be said that the Constitutional court's decision does open up a can of worms because more disputes are likely due to the vague "sufficiently representative" requirement for unions to achieve organisational rights.

We need to get to the bottom of what this "sufficient representation" actually means. It must be expatiated on, and its implications need to further be weighted because this could possibly mean that a disgruntled grouping of even 20 people can then form a union and use the ConCourt ruling as a scape-goat.

It is equally worth mentioning, for information's sake, that although there has been this judgement passed, it does in no way mean that tomorrow SACOSWU will apply for recognition at the GPSSBC or PSCBC and automatically be admitted. In this case, they would need a stipulate threshold by these Bargaining Councils, although this does not stop them from engaging directly with the DCS.

In simple terms, whatever agreements they enter into with the DCS cannot be ratified with the GPSSBC or PSCBC, and they are not binding. On the other hand, as POPCRU, we can enter into an agreement with the GPSSBC and PSCBC, and whatever agreement we sign with these two Bargaining Councils will be binding on them. What remains clear in the present is that SACOSWU can only make direct relations with direct departments, in this case the Correctional Services, and not Bargaining Councils.

Over the past 3 decades of POPCRU's existence within SAPS, Correctional Services and Traffic, we have achieved a lot and made tremendous change in the lives of our members. We remain resolute that no any other force can sway us from fighting for the rights and better working conditions of our ordinary members who work under extreme dangerous conditions at various overcrowded, under-staffed Prisons, unsafe Police stations and under-resourced Traffic institutions.

- **Proliferation of Unions**

Another area worth mentioning is the observance of proliferation of trade union organisations and this proliferation is spreading in all directions. I must indicate that principle of freedom of association and diversity are guaranteed in our constitution. However, that principle should not be used to justify this proliferation, the impact of which is extremely harmful to the trade unions. We view this as a strategic reactionary move to weaken trade unions and trade unionism; thus trying to deprive them of their real status: thereby leaving them with insufficient clout to shape negotiations and influence social and economic policies in a way that ensures that the workers' concerns are heard and action is taken to address them.

We know the aim of ILO, when drawing up Convention No. 87. It was meant to protect the independence of trade unions and safeguard the right of workers to create and belong to trade unions of their own choice. The purpose was never to promote trade union proliferation and fragmentation. Therefore, this right has to be used with extreme caution as well as with an unwavering sense of loyalty and devotion to the cause of defending the rights and the interests of workers and trade union members, in the best possible manner.

- **Escalating Crime Rates**

An area of concern is escalation of crime in our beautiful country. Available evidence shows that levels of crime are exceptionally high in South Africa. South Africans have to feel safe in their own country, but it is not the case. What needs to happen? The first approach is obviously to deal with the socio-economic challenges, which are some of the fundamental causes of crime escalation.

Secondly, there need to be enough resources for the police to execute their tasks of ensuring that South Africans are safe and secure. More police officers must be employed as 57 million South Africans cannot be policed by mere police officers of less than two hundred thousand. In fact, these numbers tell South Africans that government is certainly not serious with measures to fight crime.

Within this ambit, all trained police officers must get out of offices and be utilised for what they were employed to do, which is to fight crime. The over bloated head office of the police and provincial offices should be downloaded to biff up police stations. Parallel to this, all the security cluster components have to jointly coordinate their work [SAPS, Justice, Correctional Services & all related departments]. Transformation of the Justice Department can no longer be postponed; it is a matter of priority importance.

On the other hand, the community must be actively involved in fighting crime hand in hand with the police officers.

## 6. Conflicting messages on Public Wage Bill

About two months ago, our Deputy President DD Mabuza indicated while responding to questions in Parliament that the head count in the public service would have to be reduced eventually, which was in response to a question asked to the Deputy President as to how government would be tightening its belt to reduce the cost of living for South Africans.

Comrades, just after the Jobs Summit was held, we particularly welcomed the undertaking by the South African government, through President Cyril Ramaphosa, that there will not be job cuts in the public service. Despite the fact that the public service has currently got a vacancy rate of 129 306, we were shocked that after government had made such commitments, the newly appointed Minister of Finance's first utterances at the Kader Asmal memorial lecture, followed by his first words in his maiden Mid-term Budget policy statement was to make regressive comments about the need to reduce the public wage bill.

This means that he has fired very worrying shots the size of the public service and the wage bill, so workers must be extremely worried because he is ultimately likely to cut down the public service. This will result in a lot of public servants losing their jobs because if there is one thing that will never happen is to reduce people's salaries. That is not a viable option. Workers should never agree to the cutting down of the public service because there are lots of other options that can be explored.

Instead of government relying on consultants and advisory services which are external, it must then retrain people who are in the public service to deliver the services to the state directly. There is no renewed hope from these mixed signals from government. Moving from this Mid-term Budget statement, it is clear that we are where we are as a country because of government's fiscal aptitude. They have been warned about the mismanagement of finances and here we are today, we have a country that is broke to put it mildly.

The bottom line with state owned enterprises is it seems government continues to throw money at the problem rather than addressing the problem. What

happened to the people who squandered the bailouts that were given to these SOEs before? Even SAA did not submit financials for the past two financial years and missed the deadlines even this September. They are just being given money without accountability, and if they squander again, there will be no accountability, no one will go to jail. There is just a cultural impunity within these SOEs.

## **7. Challenges Presented by 30-Years of Struggle**

South Africa, as country gained political rights for all its citizens and civil liberties since the dawn of democracy on the 27<sup>th</sup> of April 1994. There are remarkable milestones in so far as labour rights and conditions of service for the workers are concerned. It is evident that the gains that were amassed over the past two decades are getting eroded.

With the neoliberal policies adopted by our government, the talk of cutting the public sector is on the table, the so-called bloated wage bill is the talk of the show. What we know is that Correctional Officers are overstretched in all centres, police officers are in distress to deal with the workload in police stations, public hospitals are struggling with manpower, traffic officers are expected to work 24-hour shift with no increase of human resources and other tools of trade, there is high shortage of teachers in schools, public servants are still struggling to get decent housing till today. We have to stand up and protect our gains which were not provided free but profoundly fought for.

## **8. Zero Rating of sanitary towels**

The zero-rating of sanitary towels in particular is highly welcomed, but it would be more appreciated if they are provided for free, especially for disadvantages areas and schools in our country.

Part of the challenges that have in the past adversely affected and distracted many young disadvantaged girls has been that within their poverty-stricken homes, they would be left with a choice of buying bread or sanitary towels.

In most cases bread would be prioritised, and many ended up not going to school during their menstrual cycles. The free distribution would make a huge difference in keeping these young where they belong; in classes as a leeway to good opportunities.

**Comrades,** All these uncertainties are happening while some alarming statistics were presented at the recent Institute for African Alternatives [IFAA] Confronting Inequality conference in May this year. Millions of South Africans cannot afford to buy food or access healthcare, decent sanitation and other essentials of a dignified life. The National Income Dynamics Study shows that 29% of the population are trapped in severe poverty. Over the past few years, 3-million people have joined the ranks of the impoverished.

Four-fifths of the rural population live below the poverty line – almost double the rate of poverty in the metros. However, in urban areas too, many face spatial segregation from productive economic activity. The economy suffers from precarious mobility, with those escaping poverty having low probabilities of remaining out of it for long. There is a lack of intergenerational mobility, with 95% chance of children born to parents in the bottom of earnings distribution occupying the same place in the distribution.

The entrenched and racialised class stratification of SA remains intact, with only 24% of the population free from poverty, or the threat of it. Most research on inequality in SA has focused on income differentials. But the situation is even worse when considering the limited data available on wealth.

There should not only be moral concerns about these figures, there are pragmatic reasons to be alarmed too. Research indicates that inequality causes violence in societies where prosperity is divided on racial, religious or regional grounds. The racial character of SA's inequality is due to its history of colonialism and apartheid and poverty and wealth largely continues to wear black and white masks, respectively.

A democratic and progressive solution urgently needs to be found lest the country sink even further into social and political unrest. It is clear that poverty is driven by unemployment. Yet unemployment is also the creation of inequality,

where the unequal distribution of access among the population frustrates the economy's ability to absorb the marginalised into productive activity.

Some progress has been made in dealing with wage inequality, with the country's social partners – labour, business, civil society and the government – agreeing to a national minimum wage of R20 an hour by May 2018. It is, however, not enough.

## **9. Call for a Retirement Funds Summit of Workers in 2019**

There is a wrong perception that pension money is co-owned by employers and employees, this is factually incorrect. After an employee and an employer have contributed their share in an employee's pension or provident fund pot, that money automatically becomes a pension or retirement fund of an employee. The accumulation of pension money in South Africa is the accumulation of retirement savings for South African workers, not employers. Today South Africa's pension fund size is approximately R4-trillion, it is the biggest in Africa and the 11th biggest in the world. The GEPF has grown from R 127 billion in 1996 to almost R2 trillion in 2018, this money belongs to workers.

Workers have been missing in action in the management and investment of their funds. Our country faces serious challenges of poverty and unemployment, yet we own no less that R4 trillion that we have not as organised labour used our collective muscle to influence the decision makers to invest it in markets that create decent jobs and employment.

As POPCRU we are calling for a Retirement Funds Summit of Workers in 2019. The critical element that the Summit must address is how workers should actively come closer to the management and investment of their retirement funds. On a day to day basis we are hearing about stories of companies that are harvesting the retirement funds of workers and that have no consideration for transformation. As active owners of our own capital, we should be making a call that untransformed companies should not benefit from workers retirement funds.

Statistics about the majority of companies that have benefitted in the investment of our funds in the GEPF and other funds are depressing. Despite the fact that the GEPF has grown during the democratic order, from R127 billion in 1996 to almost R2 trillion in 2018, statistics about the number of black owned and controlled companies that the GEPF invests with in the same period are shocking. Radical socio- economic transformation will never be realised if organised labour continues to play a passive role in the management and investment of their capital.

Organised labour has a patriotic obligation to lead from the front and lead the charge in shaping this conversion about a new era for organised labour in retirement funds. The international trade union movement plays a significant and influential role in shaping policy initiatives in the management and investment of their capital. Likewise, we can no longer remain spectators in a game that we should be playing.

- **Call for the establishment of an Unclaimed Benefits Fund for job creation**

Government has placed infrastructure development at the forefront of its agenda to transform the economy and stimulate economic growth and job creation and has invited organised labour to partner with it in finding lasting solutions. Workers are currently in the periphery of the economy at the hands of monopolies that have little interest in assisting the poor and workers in sustaining their livelihoods. There is general agreement within the democratic forces that, comparatively speaking, there is an investment strike by the private sector to invest in our economy post the apartheid dynasty, in fact there is capital flight.

It is reported that for many years, the pension industry has seen benefits worth about R46 billions remain unclaimed for various reasons, ranging from illiteracy, and lack of financial education, changed addresses to beneficiaries of deceased members who are simply unaware that monies are due to them in terms of death benefit distributions. The members or beneficiaries are often left frustrated because of the inability to claim their benefits.

In preparation for the Retirement Funds Summit of Workers we will be investigating the possibility of engaging the President of the ANC Cde Cyril Ramaphosa to establish an Unclaimed Benefit Fund to be housed in a government department and whose funds should be invested by the Public Investment Corporation [PIC] with a specific investment mandate to invest in labour intensive projects.

We propose that government should stand- in as a guarantor for all claimants that fall within the category of unclaimed benefits. Coupled with that should be a deliberate effort to get the newly established Financial Services Conduct Authority [FSCA] and the Prudential Authority to publish the amount of monies under their domain which lie unclaimed and which should be invested in the Unclaimed Benefits Fund even if this means amending the applicable laws.

This includes but is not limited to demutualisation funds, surplus funds, unclaimed insurance claims, dormant funds, etc. This will be a direct response to the clarion call by President Ramaphosa for all South Africans to roll their sleeves and mobilise resources to bring about the investment that the country needs to grow the economy and create jobs.

- **Commission of Inquiry Public Investment Corporation**

We welcome the Commission of Inquiry that the President has commissioned on the issues that relate to governance at the Public Investment Corporation. We do so being aware of the majestic achievements that both the Government Employees Fund and the Public Investment Corporation have registered in the past two decades that stand to be celebrated as epitomes of black excellence.

The not so often told story is that both government pensions and their investments were facing a serious decline during apartheid when the apartheid government looted these funds when it faced international economic sanctions. Both the GEPIF and the PIC were rescued and grown by the ANC government from collapsing.

The PIC commission of inquiry should therefore be seen in the context of strengthening and consolidating that which the democratic government has developed from scratch. These are the institutions that have grown the savings

of workers significantly since the end of apartheid by more than 900% to date, this significant growth is against the background of an apartheid state that systematically excluded blacks for participating in retirement benefits.

As workers we should remain vigilant in our quest to defend the gains of the democratic breakthrough and also refuse the temptation to disown our own successes and victories wherein all that is black is painted as being of poor quality and of low standard.

Where most State Owned Enterprises are facing a downward path, the GEPF grew significantly to be in the top 10 funds in the world. Part of the reason is that half of the board of the GEPF is constituted by workers. We are calling for the Public Investment Corporation Board of Directors to be constituted by an equal number of employer and employee representatives. In fact there is no reason why the model used to appoint the GEPF Board is not replicated at the PIC Board. The PIC invests funds for workers, it is a serious anomaly that workers do not constitute a significant number of its Board of Directors. The PIC invests for the following workers funds:

- Government Employees Pension Fund
- Compensation Fund
- Unemployment Insurance Fund

It defies any form of logic that an institution with reputable good governance structures and which has grown its investments by 900% in two decades when most companies were dying can be consumed by such dramatic governance issues so quickly and so fast. We hope that the inquiry will get to the bottom of the real issues at play at the PIC.

We therefore call on all our public sector compatriots to unite in the call to bring a significant control of the PIC to its real owners, the workers. We have been spectators for far too long.

## **10. Conclusion**

**Comrades**, as we start this important gathering, let us be open and share ideas in a way that seeks to leave no stones unturned, and have frank debates around what needs to be done in a time when workers' rights are under attack. As we are approaching our 30<sup>th</sup> Anniversary, it is important to conceive the idea of our union still maintaining its majority in the next coming 30 years.

We wish you the best of deliberations in this Central Executive Committee.

**I Thank You....!!**

**ZIZAMELE CEBEKHULU**

PRESIDENT

**02.11.2018**

