NEHAWU

AN INJURY TO ONE IS AN INJURY TO ALL

QUARTERLY
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AN INJURY TO ONE IS AN INJ

1. EDITORIAL NOTE

By Comrade Zola Sapheta, NEHAWU General Secretary

Members, shopstewards, leadership at different levels of the union and NEHAWU militants in general, revolutionary greetings to one and all!

This is the first addition of our Quarterly Policy Bulletin. In the main, the bulletin shall cover relevant issues in which the union is involved, whether in direct engagements with government departments or through Parliament and the National Economic Development and Labour Council (NEDLAC). These are the engagement channels through which as a union we have built capacity to take advantage of - in order to drive and advance our resolutions and policy positions on the transformatory socioeconomic agenda, which is one of the pillars in our medium-term Strategic Policy Framework (SPF).

NEHAWU's focus on the socioeconomic transformation agenda is one of the traits that distinguishes it together with our federation, COSATU, as well as our international family of the red workers' movement organised under the militant banner the World Federation of Trade Unions (WFTU). Indeed, this marks our character as a class-oriented trade union movement seeking to advance the interests of the working class and rural-poor for complete emancipation, which are also our own direct interests as workers since we come from these communities.

In the year of the 50th anniversary of the Durban Strikes, we must constantly remind ourselves that the gallant unions that were the forerunners in the founding of COSATU in 1985 have in fact passed down this heritage of class-orientation to us, as that rolling wave of strikes in the 1970s was not narrowly focused only on the workplace demands. The strikes were also about the broader socioeconomic and political demands, hence in turn they inspired the upsurge of student protests on the quality of education from 1976 and subsequently the emergence of the civic movement in fighting for the demands of communities around municipal services in the 1980s.

Hence, this heritage of class-orientation was explicitly given expression in the founding aims and objectives of COSATU, which amongst others are:

- "To understand how the economy of the country affects workers and to formulate clear policies as to how the economy would be restructured in the interests of the working class.
- To strive for just standards of living, social security and fair conditions of work for all.
- To work for the restructuring of the economy which will allow the creation of wealth to be democratically controlled and fairly shared."

NEHAWU and COSATU remain true to these founding aims and objectives to this day. Therefore, the general scope of this publication would be a focus on the broader societal issues, beyond the workplace, in the interest of the working class as a whole, including the unemployed and rural-poor.

In some instances, our socioeconomic transformation agenda also advances the interests of the broader middle-stratum in areas where they are linked to those of the working class, as the current Neoliberal policy agenda advanced by the Treasury also affects them too through the budget cuts.

Hence, at the political level we agree that there is an urgent need to build a powerful socialist movement of the workers and the poor, with alliances with other social forces around sectoral issues such as the crises in health, education, poverty, electricity, socioeconomic infrastructure, etc. as part of working towards the implementation of our resolution on building the Left Popular Front.

So, it can be expected that the focus of this bulletin would, amongst others, cover policy matters on healthcare, social security, post-schooling education, public service and the public sector in general. The bulletin is produced by our Policy Development Unity (PDU) based at the Head Office, with the satellite Parliamentary Office in Cape Town.

The main objective of the bulletin is to share information on public policy matters related to the union's engagements in advancing our resolutions and policy positions in a manner that would keep the readers abreast with our work, enhance a widely shared update and understanding on the ongoing developments in relation to our socioeconomic transformation agenda.

We undertake to improve the quality of the coming additions of this bulletin on a constant basis, so that it moves from strength to strength. But in the meantime, as a start, happy reading comrades!

General Secretary

Zola Saphetha

2. CRITICAL CONTRIBUTION BY COMMUNITY HEALTH CARE WORKERS IN THE HEALTHCARE SECTOR

By Comrade Slindile Mbhele, NEHAWU Researcher, Policy Development Unit

2.1. Background and context

The emergence of Community Healthcare Workers (CHWs) in South Africa occurred as early as the 1930s, during a context of deep seated structural, racial and social inequalities brought about by colonialism and apartheid. In 1978, the *Alma Ata* Declaration was signed by 134 nations (excluding South Africa), which pivoted international primary healthcare to a new level of priority and promised "*Health for All*". The introduction of CHWs in South Africa played a vital role in addressing structural inequalities which segregated healthcare systems, depriving the majority of South Africans from accessing healthcare. CHWs also promoted overall health and well-being within communities through the Non-Governmental Organisations (NGOs). The Victoria Mxenge Hospital in Durban is named after the renowned anti-apartheid activist. MaMxenge is the epiphany of the level of selfless solidarity that this sector of workers has struggled for: basic rights and now recognition.

With the advent of the 1994 democratic breakthrough in South Africa, prioritisation towards an equitable primary healthcare system was adopted and later enshrined in our Constitution. This placed the role CHWs in alignment with the principles of the 1978 *Alma Ata* Declaration. It also meant that the provision of basic health services to our communities would be prioritised. CHWs subsequently played an even greater role in the provision of health services to our communities during sustained periods of rising levels of HIV/AIDS and Tuberculosis.

In 2010, government cemented its shift towards the principle of promoting access to health services for all, by developing a long-term strategy of revitalising primary health care through the Primary Health Care (PHC) re-engineering strategy which culminated in the creation of Ward Based Primary Health Care Outreach Teams (WBPHCOTs). Today CHWs play a fundamental role in bridging the gap that exists in accessing PHC, especially in poor communities. PHC is the most important level of service of our healthcare system, as it is the first point of entry into the system. Moreover, a good functioning PHC system that is able to provide a variety of healthcare services to the people as and when needed is a cornerstone of any healthy society.

2.2. The contribution of community healthcare workers on society

The CHWs have been able to provide equitable, affordable access to basic health services directly to individuals and households. South Africa's healthcare system is currently faced with a shortfall in its human resources for health. Despite these prevailing iniquitous conditions in healthcare, CHWs have contributed immensely in closing that human resource for health gap in our healthcare system, by providing preventative, promotive, curative, rehabilitative and palliative services. CHWs have become a potential solution to ensuring access to care in vulnerable communities. These workers have been able to provide household and community education, early screening, tracing and referrals for a range of health and social services. This makes the role of CHWs critical in addressing the increased burden of diseases which include communicable and non-communicable diseases. Furthermore, it is CHWs that will help achieve the health goals enshrined in the National Development Plan (NDP) 2030, which include:

- Significantly reducing the burden of disease;
- Ensuring that "raising the life expectancy of South Africans to at least 70 years" is achieved;
- That the generation of under-20's is largely free of HIV; and
- To achieve an infant mortality rate of less than 20 deaths per thousand live births, including an under 5 year mortality rate of less than 30 per thousand.

These goals can only be achieved through the effective and efficient functioning of the PHC system, supported by CHWs' vital role at that level of care in our communities. The Human Resources for Health (HRH) Strategy 2030 has been developed to address the persistent issues of inequity and inefficiencies in the health workforce. The strategy points out the important role played by CHWs in rural areas and how their numbers have been increasing compared to urban areas. Addressing the increased burden of disease and improving health outcomes requires investment in the health workforce which includes CHWs. Investing in the healthcare workforce will also lead to positive outcomes in the long-run and will save the public health sector in financial terms. The public health sector pays billions of Rands towards medical claims which are perpetuated by shortages in the healthcare workforce. Many of other challenges in our public healthcare system such as overcrowding, the lack of staff attention, long queues and the break-down in communication are due to the lack of investment in the healthcare workforce.

The investment in the health workforce which includes the integration of CHWs into the public service is also necessary for the successful implementation of the National Health Insurance (NHI). The principle of integrating CHWs into the public service and the implementation of the WBPHCOTs (as an important element in the creation of the NHI), affirms the Alma Ata Declaration that the PHC system forms an integral part of the country's healthcare system and that it is the first level of contact of individuals, the family and community.

2.3. Working conditions of community healthcare workers

The critical role played by CHWs is evident in their historic and current contribution to the healthcare system. These workers are still not appreciated accordingly, nor fully recognised as employees by National Department of Health (NDOH), resulting in them being subjected to unconducive working conditions.

The employment of CHWs is currently fragmented through the NGOs and provincial health departments. This has resulted is workers becoming extremely vulnerable to exploitation. In many developing countries, the work that was previously undertaken by government is now performed by NGOs, using desperate community members as volunteers who are eager to make a living, but cannot afford to spend their time only volunteering in the face of pressing poverty and deprivation. In many ways, this phenomenon suited the Neoliberal logic well, in that the cost of the delivery of such public services became externalised or outsourced from the state, making it even cheaper for the state to use vulnerable workers to exploit further.

The existing fragmentation has negatively impacted the employment conditions of these workers. This has resulted in some differences in recruitment, appointment, working hours and remuneration of CHWs and the disparities between those working through the NGOs and some provincial health departments. Their employment conditions are not standardised meaning that they are employed based on the terms and conditions of the institution or organisation that employs them.

The working conditions that these workers are faced with include:

- Some geographical areas make it difficult to cover expected areas;
- Inadequate working resources (stationery, with no printing or coping facilities);
- Lack of protective clothing, properly equipped kitbags and essential equipment;
- Transport unavailability, which is one of the major problems; and
- No workspace and essential furniture at some clinics.

In addressing the employment conditions of CHWs, NEHAWU has been relentlessly fighting for their permanent employment in the public service. This will guarantee their employment security and reduce vulnerability through standardised conditions of employment, regulated by the Public Health and Social Development Sectoral Bargaining Council (PHSDSBC). The lack of recognition of CHWs in the public service as employees is a concern. It systematises the diminishing of the value of the labour power that these workers would use in the context of their integration into the public service and health system.

2.4. The current battle against sectoral determination by government

On 22 December 2022, The Department of Employment and Labour (DoEL), through the National Minimum Wage Commission published a notice in terms of Section 52(3) of the Basic Conditions of Employment Act, no. 75 of 1997, notifying the public of the commencement of the investigation into the Community Health Workers in South Africa. The terms of reference for this investigation are as follows: *"To investigate the wages and conditions of employment of the Community Health Workers in the health sector, with a view to establish a sectoral determination prescribing minimum wages and conditions of employment"*.

The decision by DoEL to establish a sectoral determination for CHWs undermines the historic and current contribution that these workers have made in our healthcare system. The sectoral determination strips these workers of their dignity and recognition within the health sector. The sectoral determination is a regressive move from the progress that has been achieved in the pursuit to have these workers form part of the public service. Since 2015 NEHAWU engaged in discussions and negotiations with NDoH to permanently employ CHWs. The engagements over the periods of 2018/19 - 2023/24 culminated in the formulation of a policy framework and strategy for WBPHOTs. Consistent with the WBPHOTs Policy Framework and Strategy, PHSDSBC resolves to standardise the remuneration of CHWs contracted by provincial health departments and to include them within the scope of the bargaining council.

The WBPHOTs policy framework and strategy addresses the need for the full integration of CHWs into the health delivery platform, as they play an important role at the PHC level in bridging the gap between communities and healthcare service provision within health facilities. The proposed sectoral determination goes against all this work and it is a sign of a lack of commitment on the part of the government in addressing the health workforce inequities that exist which undermines the delivery of health services.

2.5. Conclusion

As South Africa seeks to transform its healthcare system to attain Universal Health Coverage (UHC) through the NHI, it has to re-organize and reprioritize primary health care and district health services. This means emphasizing disease prevention, control and health promotion through increased investment in the health workforce, including CHWs. CHWs form part of the health sector and should be treated and appreciated as such. The Covid-19 pandemic highlighted once again the important role that CHWs play in society, their collective contribution in improving Covid-19 health education and their commitment on the frontlines in undertaking early screening. This is a testament to their vital role in our communities.

CHWs must be recognised role players in the healthcare industry and regulated by the NDoH and collective agreements at the level of PHSDSBC. The promulgation of a sectoral determination does not align with the WBPHCOTs Policy Framework and Strategy, it therefore represents a regression on the advancements we have struggled for as workers and undermines existing collective bargaining processes and agreements.

3. THE IMPACT OF FISCAL AND MONETARY POLICY ON PUBLIC SERVICE WORKERS AND SOCIETY

By Comrade Nhlonipho Baloyi, NEHAWU Researcher, Policy Development Unit

3.1. Brief background

South Africa is an emerging economy, characterized by high levels of unemployment, poverty and inequality (World Bank 2021). According to World Bank, South Africa has a high level of inequality, with a Gini coefficient for income distribution of 0.7. Wealth is even more unequally distributed, with only 1% of the population owning half of the wealth in the country, while the top 10% own at least 80% of the nation's wealth.

It is almost 30 years into the post-apartheid era, and official unemployment remains at a crisis level with a third of the workforce remaining unemployed. The unemployed rate slightly declined by 0.2% to 32.7 % in the fourth quarter of 2022. The government's response to socio-economic issues has been through the introduction of the austerity programme, which was launched in 1996 and intensified from 2020 onwards. The sustained budget cuts, including wage cuts, have reduced economic growth. These budget cuts also undermine the scale and quality of public service delivery, through unfilled vacancies, reduced public transport subsidies, housing units, supply of medicine, shortage of clinicians, teachers, etc. As a result, income per-head has fallen from 2014 as economic growth was exceeded by population growth, and this is directly as a result of declining social spending. This means that the average South African has been getting poorer year-after-year. Given the continued high interest rates induced by the South African Reserve Bank (SARB), access to finance from the banks for small businesses has been prohibitive, and the overall economic stagnation has discouraged investment, especially in the township and the informal economy.

3.2. The effects of the government wage cuts on the public service workers

In 2018, government, through the Public Service Co-ordinating Bargaining Council (PSCBC), signed resolution 1 of 2018, which was a three year multi-term agreement on salary adjustments and improvements to conditions of service for employees for the financial years 2018/19, 2019/20 and 2020/21. However, the government failed to honour the last leg of the resolution for 2020/21 by not implementing what was signed and agreed upon. The government has demonstrated its disregard for the collective bargaining.

The government, along with certain unions, who constitute the majority in the PSCBC, imposed resolution 1 of 2021 on public service workers. The resolution was for 2021/2022 financial years, whereby government introduced a monthly non-pensionable cash allowance. In the 2022 Budget Review, government indicated that the same 2021 non-pensionable cash allowance wage awarded to the public service workers was to continue in the absence of the new agreement. The provision had been already been allocated in the 2022 Budget prior to the collective bargaining negotiations, which is indicative of the government's decision not to consider the outcomes of future collective bargaining negotiations. For Resolution 2 of 2023, government with the 53% majority unions at the PSCBC imposed another agreement on the public service workers; to provide for a multi-year agreement on the payment salary adjustment for 2023/24 and 2024/25 financial years. The multi-year agreement constitutes 7.5% (i.e. translation of the current cash allowance into a pensionable salary plus an increase of 3.3 per cent). However, the initial wage increase is only 3.3%, as workers had already been receiving the 4.2% non-pensionable cash allowance, which is now converted into an offer for salary adjustment in the baseline for 2023/2024.

The tragedy is that public service salaries have not kept up with the rising cost of goods and services, hence the public service strike actions. Therefore, the government through their austerity measures have implemented wage cuts, as their "so called" salary increases are not in line with the average inflation rate of 6.9% in 2022, which increased to 7.0% in February 2023 (Stats SA 2023). The 3.3% wage increase is also below government's inflation forecast of 5.4%, and the actual inflation rate of 7.1% recorded in March 2023. This is a wage cuts because the purchasing power of the public service workers is eroded by the rising costs of living. Wage freeze occurs when the salary of a worker is matched with inflation as the purchasing power will not change nor will the standard of living improve.

It is important to note that government remains committed to implementing the austerity measures irrespective of the dire consequences on public service workers and the society at large. The National Treasury indicated that the 2023 Budget did not pre-empt the outcome of the wage negotiations. Therefore, government will initiate processes to ensure that the latest wage agreement of 2023/24 and 2024/25 is implemented through significant trade-offs in the short-term and over the medium-term. These trade-offs include restricting recruitment of non-critical post and restricting previously-planned recruitment in certain areas. This continues to increase the burden to the already short-staffed public service workers, and contributes towards unsustainable unemployment rate, poverty and inequality.

3.3. The continual increase of interest rates by the South African Reserve Bank

On the 30th March 2023, the South African Reserve Bank (SARB) announced a rise of Repurchase (Repo) Rate by 50 basis point, bringing it to 7.75%. This has been recorded as the 9th decision regarding the consecutive interest hikes since November 2021. As much as it is important, and it is the mandate of the SARB to ensure price stability, it is equally important to note that the mandate also dictates that price stability should be maintained "*in the interest of balanced and sustainable economic growth*". Therefore, the increased interest rates, in a contracting economy, with rising unemployment, can hardly be considered balanced nor sustainable, and in no uncertain terms underscores the SARB's narrow focus on inflation in total disregard of the need to consider economic growth and employment in its monetary policy decisions. This has an extremely detrimental and negative impact on the working class. It is very vital to note that South African inflation is not a *demand-pull* where too much money is chasing too few goods, but rather it is a *cost push-inflation*, derived from high production costs. The South African production costs are largely influenced by external factors, such as global oil prices and exchange rates. Among other factors that are causing inflation are supply-side constraints, load shedding, non-competitive behaviour in food supply chains and other industries, exchange rate depreciation, and other supply-side factors rooted in capitalism's long-term trend of falling profitability.

3.4. The real "backward situation" for public service workers, the working class and society at large

The infectiveness of government in dealing with macroeconomic policies, and perpetual increases of interest rates by the SARB is a reversal of the intention to build a developmental state by prioritizing previously disadvantaged people. For example, as the interest rate increases, the working class are unable to repay their bonds, cars, and other loans. With the current high interest rate, the public service workers (as they do not qualify for government RDP houses) are struggling to repay their home loans. There are other factors that eat into the wage cuts that are implemented by government. The increase in fuel prices have induced high transport costs. Public transport inflation is at 15.8% and basic food prices rose by 14% year-on-year. In 2023 there will be a 5% increase in contributions to the Government Employee Medical Scheme (GEMS). Put simply, these increases mean that public service workers will continue to have decreased disposable income.

3.5. Conclusion

The continuous increase of interest rates by the SARB, seems to be a futile exercise because the inflation rate has not been responding to the reduced money supply as expected. Therefore, government should use the fiscal policy to boost economic activity. This can be done through abandoning austerity measures and injecting more money into the economy. Government can also reduce the inflation rate by subsidizing production costs, and thus fostering lower levels of inflation.

Exchange rates are the most contributing factor to higher inflation rates in South Africa (Maduku 2020). The SARB needs to extend its objectives from solely focusing on price stability, and expand to also focus on exchange rate stability. Therefore, it is advisable that SARB considers adopting a managed floating exchange rate that will assist by stabilizing both exchange rate and prices.

4. THE FINACIAL IMPLICATIONS OF THE JUST ENERGY TRANSITION INVESTMENT PLAN

By Comrade Slindile Mbhele, NEHAWU Researcher, Policy Development Unit

4.1. Background and context

Global discussions are taking place on transitioning away from energy sources that have led to a detrimental ecological breakdown. The global ecological breakdown includes climate change, ocean acidification and deforestation, amongst other calamities. These features emanate from the over-manipulation of nature by human activities. The United Nations Framework Convention on Climate Change (UNFCCC) was established to address the adverse effects of climate change and stabilize greenhouse gas concentrations in the atmosphere. As a product of this convention a number of countries, including South Africa, have made climate change commitments and developed measures that will help reduce the emission of greenhouse gas into the atmosphere.

The biggest emitters of greenhouse gas is the global-North, due to its rapid accumulation from excessive use of energy and material resources. Developing countries like South Africa are the most affected by climate change due to several socio-economic issues encountered by these countries. The socio-economic issues include high poverty rates, inequality, unemployment and access to healthcare. Moreover, the global-North is the reason the developing countries face issues of climate change today. This occurred through the extraction of natural resources from the global-South which were used to build the economies of the global-North. Consequently, extraction of natural resources left the global-South with land that cannot be used.

People who reside in mining areas have suffered from many illnesses but did not benefit from the extraction of resources on their land and Mpumalanga is a good case of such injustice. Energy production through the use of fossil fuels like coal is said to be the biggest contributor to greenhouse gas. Moreover, there is an urgent need for the world to transition away from the use of fossil fuels to generate electricity to more environmentally friendly energy sources like renewable energy.

In the midst of the climate crisis, South Africa also faces an energy crisis. The country is facing constant blackouts, millions of South Africans are being left without electricity and this has made businesses' suffer and individual operations having to close down. Coal, which is regarded as the biggest contributor to the climate crisis is a resource that South Africa has in abundance. Coal is not only dominant in South Africa it is the bedrock on which energy access is built, providing affordable electricity to households, businesses, manufacturing facilities, mining, transportation, communications systems, and services throughout the economy. Therefore, a transition has to be one that is "JUST", in other words, the transition must be based on social justice through reducing negative economic and social impacts. The country is currently embarking on its journey of transitioning from the use of coal to the renewables while also addressing the energy crisis. The Just Energy Transition Investment Plan (JET-IP) outlines the measures that would be taken to achieve the "JUST" transition.

4.2. The just energy transition investment plan

The South African government has made commitments to address the climate and energy crisis and the JET-IP outlines measures that will be put in place to address the two challenges the country is faced with. A transition of this magnitude requires a large amount of investment, which unfortunately a developing country like South Africa does not have access to.

Developing countries in the global-South had an agreement to have the global-North take responsibility for the full cost of climate change. On the contrary South Africa decided to break ranks from the general position of the global-South. The South African government together with the International Partners Group (IPG) launched the Just Energy Transition Investment Plan (JET-IP). The structure of the JETIP package does not strip South Africa of any cost instead it shows that South Africa will carry the cost of the transition. Among other things, the JET-IP stipulates the financial need and the funding instruments for the transition.

4.2.1. Committed finance

There is nothing "Just" about the JET-IP and this is evident from the majority of sources that will be funding this transition. The JET-IP stipulates the following sources for the funding:

ι. Developed countries

ιι. Private sector investors

ιιι. Development Finance Institutions

ιϖ. Government

ϖ. Philanthropies

ϖι. Multilateral Development Banks

The type of financing to be used for the JET-IP includes commercial, concessional loans and grants. Grants only make up **4%** of the funding while loans comprise of **63%** concessional loans and **18%** commercial loans, respectively.

US$ millions	Grants	Concessional loans	Commercial Loans	Guarantees	Total (Source)
CIF/ACT	0.59	30%	0	0	30.8%
European Union	0.41	12%	0	0	12.2%
France	0.03	12%	0	0	11.9%
Germany	2.34	9%	0	0	11.4%
United Kingdom	0.28	0	6%	15%	21.6%
United States	0.24	0	12%	0	12.1%
Total (Instrument)	3.89% (4%)	63%	18%	15%	100%

4.2.2. Financial implications

The JET-IP has the following financial implications:

- The conditions of the loans, including the trade-offs and repayment plans are not stipulated. The loans have macro-economic implications which can include currency risk - as a result of the loans being based on a foreign currency which makes them vulnerable to fluctuations in the exchange rate. The conditions of the loans may also result in structural adjustments, which include cutting public sector employment and other spending to reduce budget deficits;

- Loans that are based on a foreign currency increases the cost of debt when there is a negative shock to the exchange rate of the domestic currency. Government did not utilise local funding for commercial loans to mitigate the volatility caused by exchange rates fluctuations. The local financial source might include infrastructural investment by pension funds. The new Regulation 28 investment allows retirement funds to invest up to 45% of assets in South African infrastructure;

- The plan is heavily based on using these loans for the "de-risking" of private investments, in the context of the so-called blended-financing. It prioritises private sector profit opportunities in infrastructure provision while government is taking responsibility and risk for the massive debt burden;

- The funding plan is strongly tied to the privatisation of electricity generation, using state guarantees for private sector investment in renewables instead of repositioning ESKOM to drive renewable power generation;

- Independent Power Producers (IPPs) lock-in Eskom into an expensive form of provision and this will exacerbate energy poverty and worsen fiscal conditions;

- Once in operation, the private sector can extract future revenue streams through the resale of the power plants in the secondary market or the refinancing of debt. In other words, rewards are privatised and risks are socialized;

- The JET-IP is missing the opportunity to foster industrialisation or the localisation of the production of renewable infrastructure and technologies. The plan has an aspect of "an enabling environment" which would undermine the local content requirements in the renewable value chain, including the production of technologies of wind, solar, battery storage, etc.;

- The plan does not guarantee investment commitment to Free Basic Electricity subsidy for poor households, instead, it is based on the principle of cost-plus tariffs. This means that in the future, the poor may not be protected in terms of access to energy, once the energy supply is predominantly from the private sector;

- The cost-reflective tariffs create conditions for the privatisation of electricity;

- There is no provision for social security support for the affected communities and workers in the coal-fired power plant and their value chains, such as in Mpumalanga and Limpopo.

4.3. Conclusion

The JET-IP does not have elements that will result into a transition that is "Just", it is not embedded in the logic that seeks to maximise the developmental impact. In other words, it does not serve society but it serves the market. The Private sector, particularly financial institutions, invest with the objective to gain maximum shareholder returns or profits. Therefore, the JET-IP is a plain marketization of the country's energy system. This is evident from how the plan is creating a conducive environment for the private sector to thrive and it will lead to the further commodification of electricity. This will also limit access for the majority of our people.

The Institute for Economic Justice (IEJ) mentions how the JET-IP frames energy poverty as a grid access issue only. It is stated that 80% of households in SA have access to the grid but this claim neglects the fact that energy poverty is an issue of affordability, regardless as to whether a household is connected to the grid or not. Actually, the policy of Free Basic Electricity is not implemented in many municipalities. Consequently, the JET-IP will not be able to protect vulnerable workers and communities, build energy security and expand energy access as it claims. The country still has residences in vast geographical areas that have limited access to electricity due to structural inequalities that exist. The marketization of energy will only exacerbate the issue of energy security.

5. JUSTICE IN THE CONTEXT OF THE JUST ENERGY TRANSITION INVESTMENT PLAN

By Comrade Barry Mitchell, NEHAWU Parliamentary Officer, Policy Development Unit

"A 'just transition' means changes that do not disadvantage the working class worldwide, that do not disadvantage developing countries, and where the industrialized countries pay for the damage their development has done to the earth's atmosphere. A just transition provides the opportunity for deeper transformation that includes the redistribution of power and resources towards a more just and equitable social order."

COSATU's 2011 Climate Policy Document

5.1. Introduction and brief context

The 2011 COSATU Climate Policy document is a reference resource that we would like to bring to the attention of our readers. It is important as it locates the federation's perspective of what we refer to as "Just" in the context of the Just Energy Transition. Section 153 of the South African Constitution places the responsibility of the provision of electricity reticulation to our people upon municipalities. There is also a security net made available by government to support indigent families. In 2021, there were only over 900 000 people registered and qualifying to receive the Free Basic Electricity allocation, which amounts to 50kWh per household per month for a grid-energy system at a household income of R3500 or less per month. However, municipalities use their own criteria to determine the indigent and at the same time the pre-paid metre boxes are imposed upon them as a condition to benefit from the policy of Free Basic Electricity.

The ANC's 2021 Elections Manifesto, under the theme: ***Building Better Communities Together***, committed to:

- *"Ensure all poor households receive the amount of free electricity allocations that they are entitled to".*
- *"Significantly increase the contribution of renewable energy to the country's energy mix through a diversification of energy sources, and a just energy transition that creates new economic opportunities for workers and communities".*

More recently the ANC, at its 55th National Conference, resolved on matters related to Energy Security and Just Energy Transition and some important resolutions were the following:

- *The ANC must provide a unified message and clear leadership in taking forward the just energy transition and must work to deepen society's understanding of the goals and challenges of this programme.*

- *Just transition plans must be developed for all sectors of the economy and regions of the country, particularly for affected regions like Mpumalanga.*

*The 55th Conference resolutions are admittedly weaker in this regard.

5.2. NEHAWU's perspective on the just energy transition

In principle, NEHAWU supports the decarbonisation of the grid as part of the country's contribution in the mitigation against global warming. However, the rapid pace by which the Presidency's Just Energy Transition Investment Plan (JET-IP) seeks to drive this transition is concerning and unprincipled. NEHAWU has expressed this concern and has been on the frontline in ensuring that proper consultation through COSATU and NEDLAC is undertaken. Yet, it seems the train has already left the platform.

We are already experiencing accounts of the calamitous effects that unilateral action without proper consultation is having on our communities in Mpumalanga. The closure of a mine or a power station has a direct correlation with the decline in the municipality's capacity to provide basic services in our communities. As a result, the municipal infrastructure collapses and the catastrophic trends of emerging ghost towns, rising unemployment and poverty in our communities becomes even starker.

We have also come to the unfortunate conclusion that a secrete loan agreement between the South African government and the International Partnership Group (IPG), amounting to $8.5 billion (R128 billion) and requiring another R1.5 trillion to accomplish the IPG's master plan, is pretty much now a signed, sealed and delivered agreement. The different sources of financing the JET-IP in page 12 of this bulletin.

The principle of "*Justice*" is not even being applied prior to the inception of the JET-IP, this is but one of the contentious issues NEHAWU is bringing to the attention of our readers and membership.

From the $8.5 billion JETP finance package, the capital is split approximately between Infrastructure **(89.4%)**, Planning and Implementation Capacity **(10%)**, Skills Development **(0.15%)**, Economic Diversification and Innovation **(0.25%)**, and Social Investment and Inclusion **(0.2%)**.

5.3. NEHAWU's response to the just energy transition investment plan

NEHAWU's critique and rejection of JET-IP is premised upon some of the following reasons:

- There can be no-doubt that the notion of "Just" is merely semantic symbolism in regards to JET-IP. In NEHAWU's point of view, expressing and suggesting the notion of "Justice" within the confines of capitalist social relations and relations of production makes this process a redundant expression of reality.

- The current unfolding austerity programme combined with the Neoliberal structural reforms in public infrastructure, opening up electricity generation, freight transport and the ports to private capital, are taking place at the time when there is an acute and intensified electricity crisis.

- Through the JET-IP, South Africa has betrayed some of the leading global-south countries with whom it has previously consistently argued that the West must pay for the transition to a low carbon global economy as it is primarily responsible for the ecological crisis facing humanity today. Other countries such as India and Brazil have rejected this transitional funding model and insist that they must not be prevented from expanding their industrialisation using the reliable fossil-fuel energy sources.

- The hierarchy of funding priorities is skewed primarily towards incremental privatisation of our energy generation, as highlighted by the Institute for Economic Justice (IEJ) submission to the Presidential Climate Commission, that: "*Unfortunately, the central role given to encouraging private sector investment (both local and international) undermines any just, or even sustainable, vision of development within the JET-IP, side-lining its stated priorities*".

  The priorities listed within the JET-IP (Sections 3.1 and 3.2) are as follows:

  - Showing clear reductions in emissions according to Nationally Determined Contributions (NDC) targets by 2050;
  - Being complementary and catalytic to private sector investment;
  - Having principles of justice embedded in all areas of focus;
  - Ensuring a social safety net is in place to match the pace of decommissioning fossil fuel infrastructure; and
  - Enabling localisation with an emphasis on empowering women and youth.

- The allocation for "social justice" in the plan is significantly small compared to the provision for subsidies and incentives to support the private capital. The plan's allocation for training, reskilling and social protection is tiny relative to the scale of its negative impact and its social plan programmes are mainly short-term and limited.

- On the financial apportionment of the loans concluded with the so-called IPG, about 81% of the funding model comprises debt, with only 4% being grants. This debt is based on foreign currency, which means that our weak Rand is at the mercy of the speculative and aggressive Dollar, if we make a decision that aggrieves these "donors" of the IPG. This means that our own self-determination with regard to economic and political policies would be undermined in its totality.

5.4. What is to be done?

In both, the ANC's 2021 Manifesto and its 55th National Conference Resolutions, specific commitments related to workers, the poor and our communities are made mention of, yet we are not seeing this manifest itself in the current plan nor does there seem to be any political will to take this into effect. At this stage, COSATU needs to continue to strengthen the coordination of an alternative and consolidated approach to the JET-IP. COSATU affiliates must also prioritise their participation and input in this process by the federation, to provide our perspective and historical context to the "Just" element in the transition and to take into account the concrete considerations of immediate, medium and long-term energy supply for our people. Lastly, we must ensure that whilst providing a critique as it relates to the workers and the poor of this country, we need to also provide an anti-thesis to JET-IP, to find solutions to the climate and energy crisis.

Here, NEHAWU has a crucial role to play. We have been working hard to build a broad hegemonic front of climate/energy groupings and activists, interacting with role-players representing organised labour at NEDLAC, sharing perspectives and plans of action. We are in the midst of planning a training workshop for local shop-stewards in Mpumalanga, underscoring the context for our rejection of JET-IP in its current form, whilst strengthening an alternative proposal through its organic development based on experiences and engagements with workers and community members in the province.

This approach by NEHAWU will place workers, communities and progressive activists at the centre of strengthening our role in redirecting the narrative and policy position of JET-IP, it forms an integral role in building progressive, left fronts on crucial issues facing the working class, it is also directly linked to our responsibility of actively supporting the SACP's mobilising strategy in building a powerful socialist movement for the workers and the poor.

6. SOCIAL RELIEF OF DISTRESS GRANT AND LAYING A CAMPAIGNING BASIS FOR THE BASIC INCOME GRANT

Comrade Barry Mitchell, Parliamentary Officer

6.1. Introduction and brief context

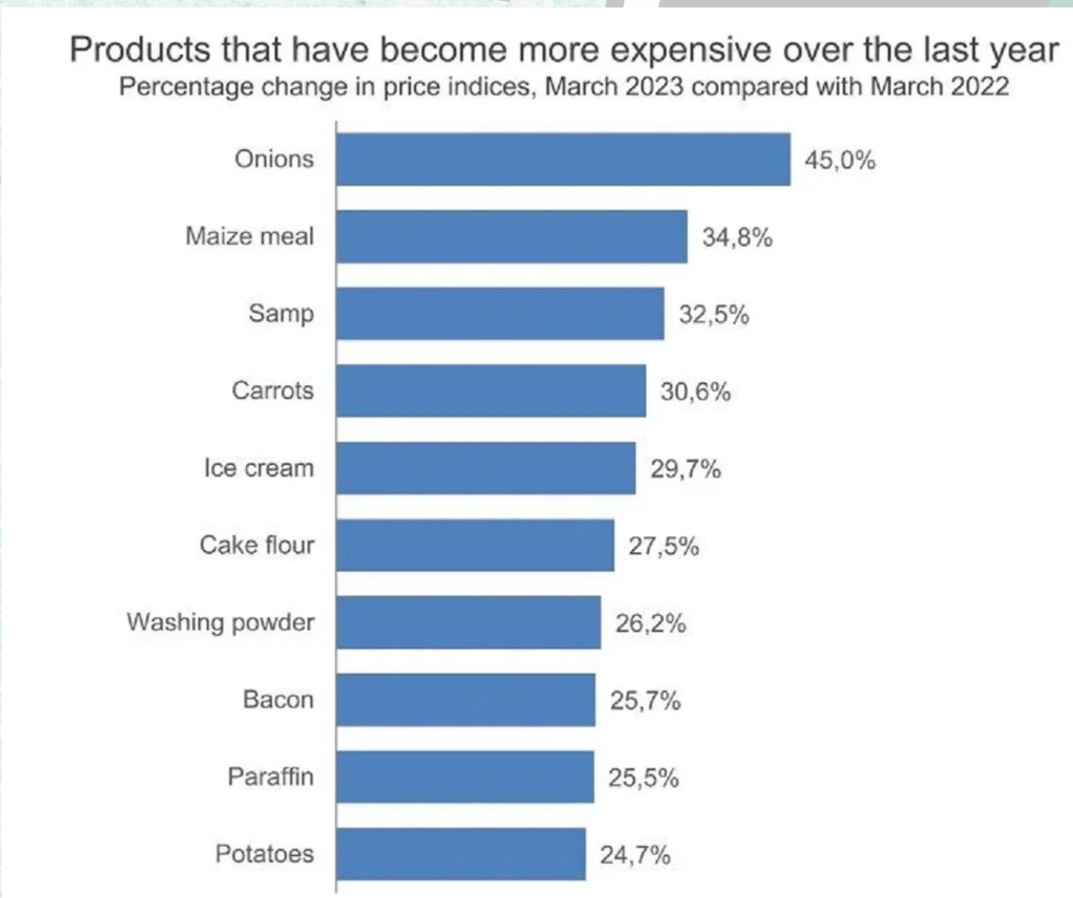
The conditions in the South African society, particularly amongst workers and the poor, have become extremely precarious. Workers are drowning in debt, our communities live in abject poverty, 15 million South Africans currently live below the food poverty-line and 75% of our youth are unemployed. Food prices have increased by 14% in the past year.

Food is simply unaffordable to an average working class family. Since March 2022, the price of maize meal has increased by 34.8%, samp now costs 32.5% more, while the cost of paraffin has risen by 25%. This is just quantitative data. But, life itself has become unsustainable, **a real crisis of social reproduction** in which our communities are unable to feed themselves.

As a response to the worsening socio-economic conditions during the coronavirus pandemic, government introduced a special COVID-19 Social Relief of Distress (SRD) grant of R350. This was a decisive intervention generated by worker's response to worsening conditions, but was unfortunately narrowly seen as a temporary provision of assistance for working class families that were unable to survive.

NEHAWU, alongside COSATU and a number of other progressive organisations have found a common agenda in calling for the indefinite extension of the SRD R350 grant and, its eventual transformation into a **Basic Income Grant** (BIG).

In some corners of government this proposal was also supported. However, with the tabling of the Medium-Term Budget Policy Statement (MTBPS) in October 2022 and subsequently in the 2023 Budget Speech, it became clear that government was in the midst of attempting to reverse the safety net built by the R350 grant. We were presented with a shredded version of social protection net, such as "*job-seekers grants*" and forced to swallow the reality that despite the extension of the grant from March 2023 to March 2024, the value and structure of the grant was kept unchanged (inflation was not taken into consideration, nor the restricting parameters that "means testing" was having on potential grant recipients). The President neglected his responsibility in the 2023 State of the Nation Address. He had the opportunity to take a bold step away from neoliberalism and austerity by recognising the social need to transform the SRD grant to a BIG.



6.2. Transforming the social distress of relief grant into a basic income grant - as a practical programme to change the lives of millions of poor people

Drawing to the end of its tenure, the 6th administration has more recently changed its posture towards the idea of social grants. The President recently acknowledged the link between the SRD R350 grant and the significance it has on lessening the burden of poverty, inequality and unemployment. A report from the University of Cape Town echoes what the BIG Coalition (a broad front of civil society, trade unions, academics and activists) has being putting forward since 2003. This report also recently featured in featured in a ENCA programme. This is another tactical advance. Yet, over 13 million people applied for SRD grant in January 2023 and only 7.5 million recipients actually received the R350 grant. This is the crisis.

6.3. Transforming the social relief of distress grant into a basic income grant as a campaign of the working class

Out of a population of approximately 60.6 million human beings, 18.3 million people in South Africa do not have enough money to feed themselves. This, in relatively generalised terms might translate into the following: an average family unit in South Africa consists of a single-headed household, led by an African woman. This household consists of approximately 4.5 members and the extended family (so-called "working class tax", another manifestation of the crisis of social reproduction). She will deplete her income within three weeks into the month, maybe even prior. This places this relatively generalised household in a precarious position. With which meal does the head of the household feed the family? – breakfast, lunch or supper? The head of the household then might be forced to approach a *mashonisa*, a "Loan shark", who would charge an extortionate interest on her loan and demand a collateral in the form of one's identification card. Once the head of the household cannot pay the interest or the loan, how does she/he or anyone access any form of grant in this cycle of structural poverty?

Here are the list of grants available to the 18 million recipients:

- Child Support Grant
- Care Dependency Grant
- Foster Child Grant
- Disability Grant
- Grant in Aid
- Older Person's Grant
- War Veteran's Grant
- Social Relief of Distress
- Covid-19 Social Relief of Distress Grant

6.4. Transforming the social relief of distress grant into a basic income grant to organise and unite workers

There is unanimity amongst progressive organisations, including NEHAWU, that transforming the SRD Grant into a BIG will alter not only the current adverse conditions facing working families, but will also shift National Treasury's fetish with neoliberal "fiscal consolidation".

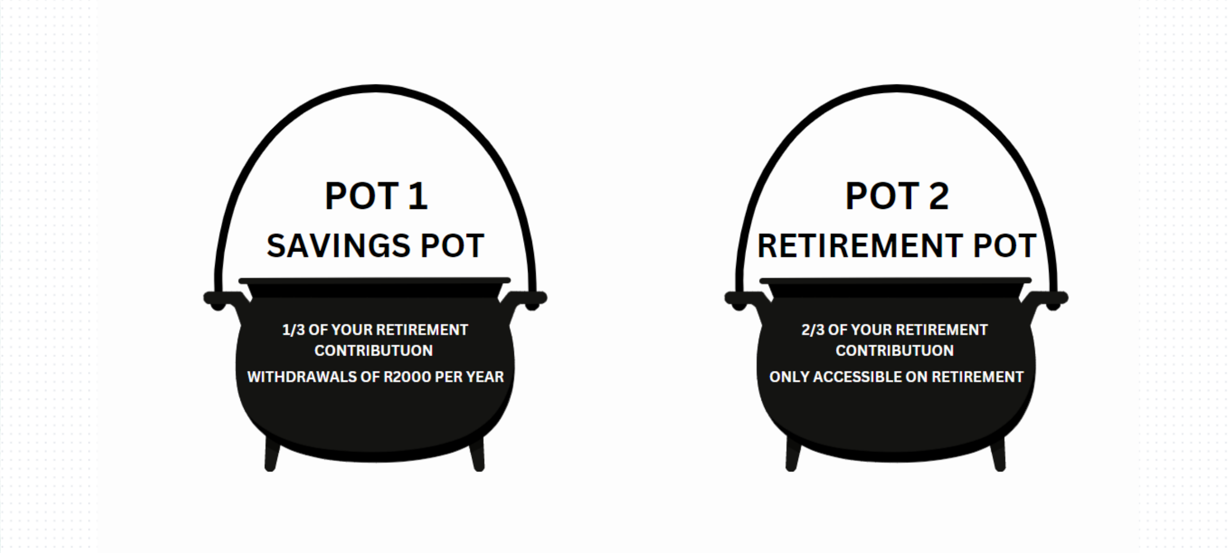
This is the method and style of unity that organised and unorganised workers, guilds or groupings would form as a front towards decreasing the divisions in the trade union movement, this is primarily based upon a common tactical programme of action, and not personalities.

7. PARLIAMENTARY UPDATES

By Comrade Barry Mitchell, NEHAWU Parliamentary Officer, Policy Development Unit

7.1. The two pot retirement system

Motivated by the urgency in the wake of the escalation of the socio-economic challenges faced by workers during the COVID-19 pandemic, COSATU spearheaded an initiative for workers to gain access to a portion of their pension fund prior to retirement. The Two Pot Retirement System consists of two savings pots, one third of your retirement contribution will be allocated to the **savings pot** (withdrawals from this pot cannot exceed R2000.00 per annum). The remainder of the contribution is allocated to a **retirement pot**, which is only accessible upon retirement.

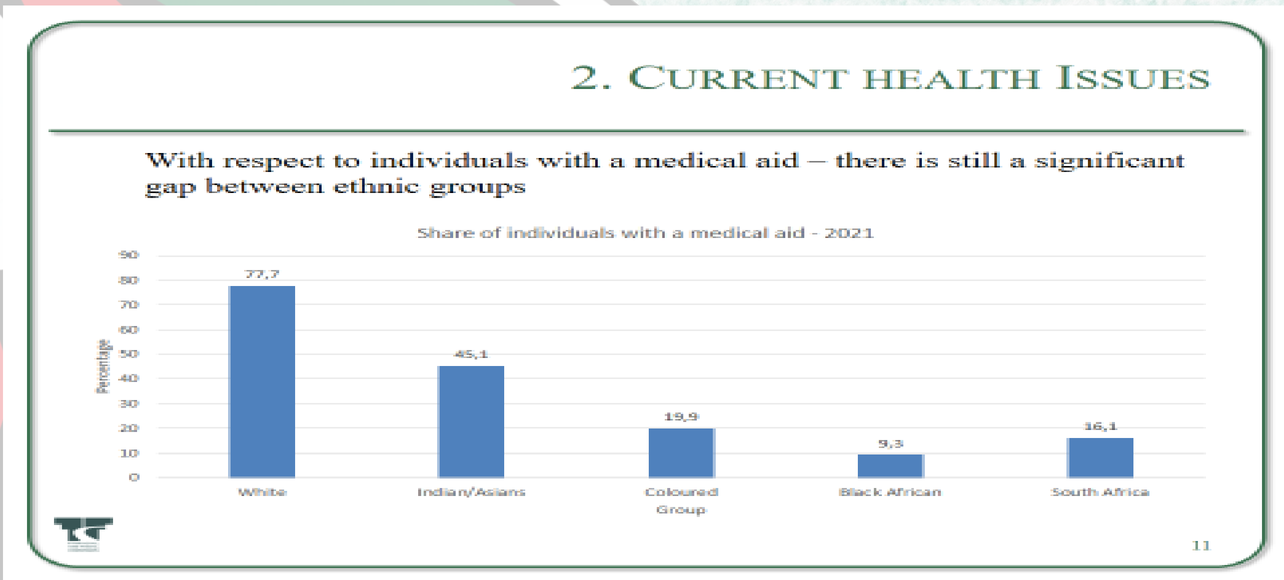


This represents progress as it makes the current conditions "easier", but does not address the systemic and structural features that contribute to the desperate conditions facing workers. Further, we fought to ensure that this mechanism is applicable to both private and public sector workers, another advance. COSATU further fought for the need for workers to access their full pension (after tax) in the event of resignation or retrenchment. The response of the Treasury was to drag its feet, to the extent that this mechanism will now only come into effect on 01 March 2024, whereas we were calling for October 2023 implementation. We will ensure that our membership and readers are updated on this process regularly.

7.2. National Health Insurance

Life expectancy in South Africa stood at 64.12 years in 2020. 2023 shows a marginal increment (64.88 years). Life expectancy at birth in Brazil is around 76 years, Tunisia at 77 years, Rwanda at 70 years and India at 77 years, by relative comparison. South Africa has the lowest number of doctors per 1000 patients and the highest patients per doctor, this crisis has worsened with a ratio of 0.79 doctors per patient in 2019 now decreasing to 0.32 doctors per 1000 patients in 2022. This is a crisis that requires immediate intervention with a solid long-term strategy – thankfully we have the NHI Bill in the process of being finalised by Parliament.

It is within this context that we would like to update our readers on the current status of the Bill. The Bill is still in the process of being scrutinised by the Portfolio Committee on Health since January 2023 in their clause-by-clause deliberations. The outcomes of consolidated public comments on the bill, inputs from the Parliamentary Legal Services and State Law Advisors have also taken place.



NEHAWU has raised a number of concerns in this regard, progressively requesting an engagement with our ANC comrades in Parliament to aid in their capacitation of the ideological root of NHI, locating it within the tenets of the Freedom Charter, our Constitution and the arduous struggle we have undertaken on the ground and in Parliament in getting us this far. But also, to equip the honourable members with the relevant content to deal with attempts to derail the bill by those fundamentally opposed to it.

The most recent formal engagements of the Portfolio Committee on Health were in a lengthy online discussions from 18 to 21 April 2023. These committee meetings featured presentations and discussions from a range of institutions and entities such as the Financial and Fiscal Commission (FFC) as well as briefings on the budgets and annual performance plans of Auditor General, Council for Medical Schemes (CMS) Medical Research Council (MRC).

These marathon "consultations" were useful in identifying where NHI stands in relation to the perspectives of these entities, the form however in which these jam-packed sessions took place is indicative of the poor coordination of the committee. Just because the sixth administration is coming to an end, does not mean this rushed approach has to manifest itself. PDU will be using this experience as well as the key indicators raised by the presenters in preparing our position for the upcoming COSATU Health Committee meeting and the 2nd Presidential Health Summit in May 2023.

7.3. Recent acts assented to by the President

7.3.1. Employment equity amendment Act

The Employment Equity Amendment (EEA) Act provides legislative interventions in attempts to strengthen government's ability to hold employers accountable for their role and failures to adhere to the Employment Equity Act. The signing of this Act into law is a concrete advance for workers, but now that the Act is law, COSATU and its affiliates have the responsibility to ensure that our membership are armed with this tactical advance in the struggle against exploitation in the workplace.

Some key provisions in the bill include:

- Requiring employers to provide confirmation in their EE Annual Reports that they have paid all their workers at or above the National Minimum Wage;
- Expanding the definition of disabilities to include intellectual and sensory impairments, a long overdue correction;
- Empowering the Minister to set economic sectoral, sub-sectoral, regional, sub-regional and occupation specific targets; enabling more precise targets for sectors, occupations and regions that are notorious for their failures to reflect South Africa's demographics;
- Allowing for regional and sub-regional variations, which is critical given the diversity of South Africa's population found in different provinces;
- Requiring employers to consult trade unions on employment equity targets, and thus helping to foster a more inclusive approach to meeting targets and supporting collective bargaining;
- Empowering labour inspectors to inspect and ensure compliance with the EE Act;
- Empowering the Minister to issue compliance certificates to employers in good standing with the EE Act and to require such certificates for companies applying for government contracts.

7.3.2. Compensation of occupational injuries and diseases amendment Act

Another important Act that has been assented to by the President is that of the Compensation of Occupational Injuries and Diseases Amendment Act. The Act broadens the scope and definitions of workers employed in certain sectors, ensuring that they too are protected by this Act. Some important advances contained in the provisions in the Act include:

- Domestic workers will now be covered, benefiting almost a million of largely women workers who had been unconstitutionally excluded.
- An expanded definition of workers' dependents and beneficiaries to include their spouse(s), children, siblings, parents, and grandparents, thus reflecting South Africa's cultural norms.
- Diseases and post-traumatic stress disorder resulting from the workplace will now be included, providing relief for millions of workers in the mining, security, and other sectors, and women exposed to gender based violence at work.
- Introducing a no-fault rule, to replace practices in the past that have been abused to deny relief to workers.
- Providing stiff penalties for non-compliant employers.
- Providing incentives for compliant employers.
- Empowering labour inspectors to ensure compliance by employers.
- Allowing courts to place caps on exorbitant fees claimed by lawyers.
- Extending the time frame for submitting claims from 1 to 3 years; and

Clearly defining the roles and responsibilities of employers, contractors, and sub-contractors; thus protecting millions of workers who often fall through the cracks.