



**MINISTRY: FINANCE  
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**MAYDAY ADDRESS TO FEDUSA & NACTU  
ATHLONE CIVIC CENTRE, 01 MAY 2007**

**TREVOR A MANUEL, MP MINISTER OF FINANCE**

Chairperson

Distinguished Leaders of FEDUSA and NACTU

My Brothers and Sisters, the Workers gathered here

Comrades and Friends

I want to express my sincerest appreciation to the leadership collective of FEDUSA and NACTU for the invitation to join with you in this great occasion today.

Mayday, that annual opportunity to celebrate the many victories secured by workers and that opportunity to confirm what parts of the workers struggle remain, is so important a part of us. The fact that we now can celebrate this on a public holiday is entirely by the way – Mayday, and the concerns of working people was in many respects one of the main motivators for the struggle for

democracy. For this reason, we forced its celebration as a statement of beliefs, long before the arrival of democracy.

So let us confirm that we are in this together, on the same side – there is no conflict between this government and workers – we are one, we are of the same stock, and we must learn to push together and not pretend that we are adversaries.

In advancing the struggle for democracy, there has been at least eight different objectives that we raised in common with workers:

- To ensure that workers enjoy full democratic rights together with the rest of our people, including the entrenchment of the rights to freedom of association and collective bargaining;
- To create the possibility for the organised working class to participate in the formulation of public policies that relate directly to its future;
- To ensure the sustained improvement of the standard of living and quality of life of the workers;
- To reduce and eradicate unemployment in the context of a growing economy;
- To end the disparities in wages and working conditions based on race, colour and gender;
- To expand workers access to such benefits as health and safety at work, unemployment insurance, general health care, a retirement income and maternity and paternity leave;
- To raise the skills levels especially of workers drawn from the previously oppressed sections of our population; and
- To open the doors of culture and learning both to workers and their children.

Now I suppose that we can all take out our clipboards and tick off the achievements against these commitments and then say *Hallelujah!* But, that would be so wrong, because it would be tantamount to declaring that the

struggle is won and over. Yet, that is an inherent risk of the present favourable relationship between government and the trade union movement.

But, in case you have forgotten – long before Mayday was Workers' Day, it was a pagan festival called Beltane, the *Festival of Fire!* (Today, in the context of worker's rights, we can't even use that word!!). But in the interests of the festival of fire, let me put some fire in your bellies by sharing three areas of work in need of desperate action.

First, there is the area of skills. As part of ASGISA, we have launched the Joint Initiative for Priority Skills Acquisition (JIPSA) in order to boost the effort to ensure that the economy can access the necessary skills in order to accelerate the rate of economic growth. Of course, we should celebrate the fact that JIPSA is a joint response from organised labour, business and government – but that is only part of the story. The National Skills Act has vested the responsibility more squarely with organised labour and business, and we have to take stock of the performance of our SETA's. In the last three years, the SETA's spent just over R 12 billion, and this year the National Skills Fund will have R 6.5 billion of which 80% will be managed by the SETA's. Looking back over the last 3 years, we are compelled to ask how much training, and of what quality the SETA's delivered for R 12 billion. Now pause, to consider the fact that 50% of Board Members on SETA's are drawn directly from organised labour and then ask whether we are witnessing the necessary diligence in oversight from those invested with the power. In fact, I was recently quite badly affected when I learnt that some Human Resource Managers send blank pages to SETA's in lieu of Training Plans and then have the SETA staff sign off on payments. I was affected because I am of the view that the more we raise the skills of workers in this country, the easier it will be to both secure employment and generate additional jobs. Those who claim for training that has not taken place and those who sign off on blank training plans, are stealing job security from our

workers. We must end these practices. So we must call on those who are deployed to represent the interests of workers on the SETA's to exercise diligence and oversight.

The second matter I want to ask for renewed energy is in respect of pension fund trusteeship. Every cent in a pension fund has already been earned by workers but retained for retirement. Yet, we continue to learn of pension funds being bankrupted, frequently by the greed of fund managers – how does this happen in an environment where, as a victory of workers' struggles, 50% of Trustees must be representatives of the workers themselves? Or, we observe that half of workers who contribute to retirement funds reach retirement on a pension that is less than 28% of their final wage. We have announced huge reforms to retirement funds, including the introduction of a wage subsidy to ensure that lower paid workers have an incentive to provide for their retirement. I am pleased to announce that the discussions with the two federations participating in this meeting, is proceeding apace. I am confident that we will have the legislation in place by early 2009. But the risky period is in the present, when we have to fight complacency or a sense that legislation will prevent workers from finding themselves in a poverty trap. The time for action is now – so I want to once again plead with unions to ensure that the returns on that which workers have already invested is maximised.

The third challenge before us is to ensure that we have a highly motivated, competent and accountable public sector. This is an essential part of a developmental state since it is the guarantee of improvements in the lives of those who are most dependent on the state for resources. Here, I want to make a special appeal to the public sector unions. I accept that the relationship between government, as employer, and the unions, as representatives of public sector workers will be shaped from time-to-time by the reality of industrial relations and wage bargaining. But, if that is sum total

of our relations, then we fail democracy. Public sector workers are amongst the elite of South Africa's workers – it is to our distinguished officials that we look for advice, and when decisions have been taken, it is to the same officials that we look for implementation. Because of the nature of our developmental challenge, we must ask public sector workers for additional effort. It is simply not good enough to hide behind all manner of excuses for laxity in the delivery of public services, or to justify the laziness which denies the poor, or to defend workers whose corrupt actions have stolen services from those most in need.

In the interests of reconstruction and development this has to change. I am not sure why this has happened – we should look to many experiences from around the world – South Korea provides us with the most striking example. Today, it is one of the world's most technologically advanced countries – but it wasn't always that way. South Korean teachers, especially maths and science teachers put in an almost super-human effort to increase the maths and science endowment of the nation. For years, understanding that their skills were in short supply, they volunteered to teach double shifts in the interests of the nation. The rapid advance in technology is a living tribute to their efforts. Yet, South Korean workers remain highly organised and militant. So, the example of reconstruction as an expression of militancy and as an investment in the nation is there for all to see. Why should we not ask for at least the same intensity of effort? And should the public sector unions themselves not be leading the reinvigoration?

So let us celebrate this Mayday, indeed we have much cause for celebration. But, let us simultaneously recommit to full partnership. Let us ensure that every worker knows that a well-functioning democracy will greatly enrich their lives; but that this democracy is not an entitlement, it has to be worked for and it has to be the product of deep and enduring partnerships.

A luta! Continua!

Thank you.