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Address by the secretary general, at the rebranding of Teba Bank

CEO Mark Williams

Board members of the Bank and the staff
President of the NUM and all leaders and activists of JB Marks's union
Honourable and distinguished guests

Ladies and Gentlemen

Thank you for your invitation to address this important function to launch a new phase in the life of Teba Bank. It is a great honour to be associated with what we hope will be a decisive step towards the realisation of our dreams, as enshrined in the Freedom Charter: "The national wealth of our country, the heritage of all South Africans, shall be restored to the people".

For over 35 years Teba Bank has been linked to the mining industry and in particular the Mineworkers. As a former mine worker I know that a mere mention of Teba Bank evokes memories of both the tribulations and triumph of mineworkers.

Today, I want to speak about the pain and suffering, as well as the rise of the NUM and its victories against all odds. To us this



rebranding of Teba Bank represents a triumph of mineworkers and South African workers against the system designed to make them sub-humans and underclass of the underclass.

In their history, they say it was in 1867, after the arrival of the first settler in 1652 when they discovered diamonds near the Orange River. Later they discovered gold around Johannesburg, which led to mining starting in earnest in 1887.

Since then, hundreds of thousands of workers were uprooted from all over Southern African, China and parts of Europe to come work in the mines. In the process families were not only disrupted but destroyed. Today, our society still pays for this destruction of family life through the collapse of moral and family values.

One of our artists, Hugh Masekela, vividly points out that men of all ages were bundled and packed like sardines in a tin, into filthy, flea-ridden, overcrowded and squalid single sex hostels that destroyed their dignity. The only time when we got to see our real 'home' and family was once in three years, if we were lucky. Many also do not make a connection with the fact that the reason Southern Africa today has the highest HIV/AIDS is because of a legacy of the mining industry.

In the decades of colonialism and apartheid, mineworkers were the most exploited and despised members of the working class, despite the fact that their hard and dangerous labour in the bowels of the earth laid the foundations for white South Africa's economic success.

Thousands of mine workers died and thousands more were sent home injured or suffering from incurable, terminal illnesses incurred from inhaling the foul atmosphere in the underground hell holes.

Meanwhile their bosses, whose profits came from the blood and sweat of the workers, lived in their luxurious mansions and were on the top of the economic, social and political pyramid.

It was during these dark days that mineworkers lost their dignity altogether. They were looked down upon even by their fellow black township residents who had forgotten that their own existence and presence in the Reef was due to the labours of the mineworkers.

Today we celebrate workers in general and mineworkers in particular. The launch of the new Brand for Teba Bank represents a triumph against all these odds. We will recall the importance of the work started by white workers to organise themselves into unions, even though these



efforts were hijacked by supremacists who believed that black workers represented a threat to their job security. Today, we recall the unequal contribution of JB Marks, who in 1946 led a strike of 100 000 mineworkers. We also recall Cyril Ramaphosa, who helped found the NUM in November 1982.

This is not just a rebranding; this is a celebration of the death of apartheid, its migrant laws and dom-passes the struggle against which was personified by Elijah Barayi, founding Deputy President of the NUM and founding President of COSATU.

As we launch this brand two months before we celebrate COSATU's 25th anniversary, we are at the same time celebrating our unity as workers and our collective triumph against attempts to keep us divided, not just as black and white workers, but as Zulus, Xhosas, Sothos, etc. This is about celebrating our defeat of divisions of mineworkers in particular and all workers in general.

It is true that capitalism tends to dissolve pre-existing relations in its wake. In their Communist Manifesto, Marx and Engels said: "All that is solid melts into air", in the wake of capitalist accumulation. Drawn from the Southern African region, the South African working class, particularly mineworkers, are essentially internationalist.

Because capitalist accumulation has no ethnic blinkers, mine workers in particular have learned through practical experience about the irrelevance of ethnic identities. They therefore remain the foundation upon which a new South African nationality can be forged.

Despite the efforts of the mine-owners and apartheid state to split us along ethnic lines, we forged unity in action in the many bitter and bloody struggles to defend and improve our living standards and working conditions. The divide and rule efforts of the bourgeoisie were bound to fail, because the very character of capitalist accumulation has no ethnic blinkers. The workers have learned through practical experience, when a Xhosa loses a limb today, a Pedi loses an eye tomorrow, etc., that "An Injury to One is an Injury to All!"

Today things are better. Mine workers enjoy the protection of a democratic constitution and fairly good labour laws. Mineworkers now have a right to refuse to do dangerous work and to belong to unions of their choice. It is a victory that we scored to have right to pension and provident fund, and to elect our own trustees to look after our interests in these funds' boards.

But huge challenges remain, as illustrated starkly by the Aurora Empowerment company, which has failed to pay workers their wages for



more than six months in their mines at Grootvlei and Orkney. The same company is amongst those putting millions of South Africans at risk because of their failure to deal with water pollution from their mines.

The number of deaths in the sector is still outrageous, as the employers continue to cut corners on health and safety in order to maximise their profits.

For 35 years Teba Bank, working closely with the NUM, has taken the responsibility for investing and protecting the savings of the mine workers. It is one of the many companies which manage provident and investment funds of the trade unions and I welcome this opportunity to debate whether our financial institutions have served the workers well.

It was in 1997 when COSATU members first made a demand in the Federation's policy conference that they would like to take control of their provident funds. It was in the same policy conference that they demanded that a bank be established in their name, together with a provident fund administration company.

COSATU's 10th National Congress in 2009 reaffirmed "our strategic goal to create a single national retirement fund as part of our strategy to



control workers' deferred incomes". It further resolved "to use these resources to support development and industrialisation rather than fuelling speculation in the equity and property markets".

It called on workers' trustees in retirement funds to make investment decisions that support the decent work agenda and to work tirelessly to build a single administration company of the retirement funds and a Workers' Bank.

Most significantly for us, it went on to say that "we will use Teba Bank and other institutions as vehicles and mandate the CEC to work out the modalities of achieving this aim". So, you see the reputation Teba Bank has acquired among our members! They place high regard and expect more from Teba Bank.

The rebranding of Teba Bank to the U Bank is a decisive step towards the realisation of this historic dream. I want to take this opportunity to thank both management and trustees for this swift move to implement our resolutions.

Traditionally workers rely on their unity and numbers. Indeed COSATU with over 2 million paid up members is not a small street-corner enterprise. In South Africa we also rely on the existence of the Alliance to advance our interests. We want, as part of consolidating



our power and interests, to slowly take care of what belongs to us for our benefit and the benefit of our working class communities.

Days are numbered where the trustees of our provident funds which are worth nearly a trillion rands would invest these monies in glass buildings here in Sandton, where we only come to work and go back to our townships, lacking the most basic infrastructure, with horrendous rates of unemployment and poverty.

We cannot continue with a situation where our trillion rands are administered by a handful of mainly white-owned companies without any real benefit to members. These trillions are not worth the few tickets for the union leadership to enjoy football matches or the money for jam that sponsors our union congresses. We want worker-controlled funds for a worker-led economic development.

We want to take control of what belongs to workers. Through these provident funds we want to dictate where investments should go! We want to lend money only to companies that will build new factories in sectors that we have identified as holding the biggest potential for growth in line with our growth path document, industrial policy and IPAP2 proposals. We should not lend money to any company so that it can speculate in the financial market and in the process, strengthen our currency and create balance of payment problems, which then leads

to loss of jobs.

Why must we continue to build the Alexander Forbes and Old Mutual empire? Why should we continue to use the 'Big Four' - ABSA, FNB, Standard and Nedbank - so that they continue paying their executives obscene salaries? Last year Nedbank paid its CEO Tom Boardman R43m when he resigned. The Standard Bank CEO Jacko Maree raked in R18, 2m and Absa CEO Maria Ramos R13, 5m. They have joined the mine owners at the top of the pyramid. There is also continuing concern that the 'big four' use their dominant position to collude to fix their charges and to exclude smaller banks like ours.

Today, we are taking the first step to create our own Bank. Already the campaign to create sectoral and industrial-wide provident funds with workers having a 50% say in terms of investment decisions. The reality though shows that unless we train our trustees they will continue to rely on "experts" who continue to take money to the former whites-only suburbs, to build more mega-shopping malls.

It is these shopping malls that have attracted the hyenas like Wal-Mart. As we now know, Wal-Mart will take over Mass-Mart and soon everything we buy in their stores will be sourced from their sweatshops in Asia. Standard Bank and now Nedbank will be owned by the



multinational companies who, like the typical packs of hyenas, are gathering to catch in the super-profits of the banking industry and retail sector, to the detriment of our economy and development.

Workers do not seek to build all these institutions for them to join their counterparts in the private sector for the continued bondage of workers to capital. U Bank cannot just be like any other bank. It cannot chase the same levels of profits and pay the CEO the same salaries or have the same levels of gaps between the top executives and workers.

This is a new Bank, with no racism and no gender discrimination in the workplace. In the capitalist banks, young black professionals are called names, their confidence shattered, they are overlooked; 16 years into our democracy, we do not even have a black CEO in these banks.

COSATU has consistently supported the SACP-initiated financial sector campaign which was launched in 2000, and is the focus for their Red October Campaign this month. The campaign resulted in the 2002 Financial Sector Summit, where Community, Labour, Business and Government came together and signed 13 agreements, including commitments to:

- a. Universal access to financial services
- b. Legislation for co-operative banks
- c. Regulation of credit bureaus
- d. Infrastructure investments to address the legacy of apartheid
- e. Developmental Financial Institutions to promote development
- f. Ending redlining or discrimination against people living with HIV/AIDS

These agreements were supposed to transform the way the financial sector - both public and private - would work in future. We have made some advances but overall we have not made nearly enough progress to say we have achieved our goal to "make the banks serve the people".

The party's Red October 2010 call is for the Community Reinvestment law to be updated and re-introduced in Parliament. The earlier Bill was withdrawn from Parliament in 2002 in the hope that the voluntary Financial Sector Charter (FSC) would deliver equal, if not better, investment and access.

But the FSC Council, on which Community, Labour, Government and Business, oversee transformation initiatives, has implemented only some of the 13 agreements but not others. We want to keep the voluntary Charter, but also need laws to make the financial sector

meet our transformation and development needs. We also call for conditions to be attached to bank licences - as they are in other countries - to force banks to provide adequate and appropriate services to all our people.

There has also not been nearly enough progress on BEE. Our banks, insurance companies, investment and asset managers - are still largely owned and controlled by white capital, driven by profit maximisation for shareholders and care less for what happens in working class communities.

We share the campaign's concerns that the financial sector has by and large interpreted sector transformation and black economic empowerment as concluding once-off, narrow-based BEE deals with a small number of politically well connected, and already wealthy, black shareholders.

The campaign is now focussing much more on the developmental role of both the public and private banks. We are a developing country, dealing with the legacy of apartheid, massive unemployment, deepening poverty and growing inequality. Yet we can only request banks, not compel them, to pursue developmental policies in line with the national agenda. This must change.



We should not pretend that we are not in a struggle against capital.

We cannot be permanently begging private banks. What we will do now is support the formation of a state bank; we will also push ahead with our workers' bank. The two banks will work closely with a transformed Reserve Bank in order to advance our developmental agenda.

In this regard, we will be closely monitoring the formation of a state bank, because we know that a democratic state bank and a workers' bank are close cousins.

This is of special importance now as government finalises the new national economic growth path and the Industrial Policy Action Plan (IPAP2) which aims to develop an economy based on manufacturing industry and the creation of decent work.

The financial sector - particularly those managing the workers' money in investment and provident funds - has a crucial role to play in financing this strategy. It must align itself with the country's developmental agenda and prioritise investment into infrastructure for decent jobs, rural development, land and agrarian transformation, the establishment and funding of an NHI, house building and education for the children of the working class.



The challenge you face, as Teba Bank and now U Bank, is to be the bank that sets the pace in promoting this developmental agenda, which shows your bigger rivals what they should be doing and becomes a real workers' and people's bank. I wish you success as you set out on this new road.