

GIWUSA STRONGLY OPPOSES ENERGY PRICE INCREASES – WILL JOIN MASS CAMPAIGN - CALLS FOR COUNTRYWIDE DAY OF ACTION

The General Industries Workers Union of SA (GIWUSA) has noted with extreme concern and outrage the simultaneous increases in the electricity tariffs and fuel prices. In the context of the fuel price hike happening today, along with growing mass unemployment, wage freezes and savage cuts in the conditions of work, these increases will raise energy poverty and the cost of living for the poor and working-class majority and for many middle class people, to new heights. On top of this, is Eskom's propensity – starting in the winter of 2020 just as the pandemic was at its worst – to engage in a new kind of disconnection called “load reductions,” which is a racist form of collective punishment because by living in a black township, even if you have paid your bill, you may be cut because your neighbour hasn't paid theirs.

GIWUSA is calling on the working class to reject these increases in the cost of energy as attacks on the already miserable quality of life. We are further calling on the organised labour, community civics, and climate justice movements amongst others to unite in opposition against this onslaught and use the current SAFTU application to NEDLAC to call for a United Working-Class Action against Eskom tariffs and fuel price increases and to launch **#StopEnergyPricesIncreases** for a sustained campaign of rolling mass actions

NERSA and Central Energy Fund Increases

On Thursday, the National Energy Regulator of SA announced 9,61% increase in Eskom tariffs for the year 2022/23, with effect for the 1st April 2022. These increases continue the same onslaught on the working class. Again the ANC government has decided to impose the burden of the crisis of Eskom on the working class, despite the causes of it lying entirely with the ruling elite. It is the political elite – including President Ramaphosa's African National Congress fundraising arm, Chancellor House - that benefit from tender-related corruption, special tariff agreements for intensive energy users South32 and Anglo American Corporation, and cheap supplies for big corporations, as well as loadsheddings caused by a cruel determination to privatise Eskom to profit-seeking corporations, which cost Eskom hundreds of billions.

The Hitachi deal with Chancellor House cost Eskom many tens of billions of rands, and was prosecuted in the U.S. under its Foreign Corrupt Practices Act, with the Japanese firm paying R300 million in fines there, but South Africa has not begun overdue prosecution. Then, during the Zuma years, independent investigator Paul Holden told the Zondo Commission that the ANC-facilitated Gupta brothers' state

capture alone cost Eskom R50 billion at minimum, but warned that it is probably more. New coal-powered stations, Kusile and Medupi have already cost Eskom R300 billion than initially estimated, when these corruption-ridden, accident-prone, polluting and climate-damaging projects were being sold as the solution to the on-going Eskom crises, especially loadsheddings.

The latest tariff increases are the last straw that breaks the back of the camel, as the working class can only absorb so much of the cost of electricity and living. The increases must be seen in the context not only of rising levels of unemployment, hunger and energy poverty, but more than decade of this relentless onslaught. By 2020, electricity tariffs had already increased by over 512 percent since 2007, taking South Africa from the cheapest electricity in the world to one of the most unaffordable, at R2.6 per kilowatt for households, even before the latest increases.

As if this is not enough, the corrupt Central Energy Fund announced fuel prices hikes in March 2022 of R1,25 for 95 octane petrol and R1,29 for diesel, to new record highs of R21,39 per liter and R19,33 per liter, respectively. These are 31% and 37% annual increases, compared to March 2021, respectively.

The most shocking increase is, however, the fuel on which working-class people in informal settlements and rural areas must fall back on for heating, cooking and lighting, illuminating paraffin, as an alternative to unaffordable electricity. Between March 2021 and March 2022, the price of paraffin will have risen by 56%, from R8.45/L to R13,19/L.

Ecologically sustainable, affordable and cheaper alternatives.

The fact that these increases were granted despite overwhelming opposition from organised labour and social movements representing the working class - as made clear in numerous submissions to NERSA - means that submissions and verbal declarations are no longer enough. The working class must act and urgently, if it is to survive this crisis.

But as the working class is seeking fighting alternatives, it also needs to provide a way out of the deepening energy crises and the ecological disaster of climate change linked to it. The latest report from IPCC this week shows how climate breakdown is accelerating, causing extreme weather events like droughts, floods, heatwaves that are wreaking havoc across the planet, and runaway fires. The report also shows that 3,3 billion to 3,6 billion people are already living in regions that are highly vulnerable to the worst impacts, including Sub-Saharan Africa, also mainly due global warming increasing rapidly here above global average.

Although Africa is at the receiving end of global warming, the whole continent contributes less to greenhouse gas emissions, although South Africa is certainly amongst the top global culprits, as the 13th biggest polluter in the world, and responsible for a disproportionately high percentage of greenhouse gas emissions in Africa. The two main culprits behind most of the emissions, Eskom and Sasol, are also responsible for the rising cost of energy.

Government is imposing import-parity pricing policy at the cost of R30 billion or 0,67% of SA GDP, mainly to subsidise the super-profits of Sasol, according to Wits University energy researcher Rod Crompton, as well as to maintain high margins above the basic fuel price for profiteering of multinational oil companies. And at Secunda, Sasol's operation to squeeze coal and gas to make liquid petroleum remains the single worst point-source of carbon emissions on earth.

This is the same logic driving Government's programme to build Medupi and Kusile coal-fired power stations, the cost of which is now R450 billion, almost equal to Eskom's total debt, for which poor and working-class people are being made to pay. Last Friday, another coal-fired power station was approved in principle by the Limpopo Economic Development and Tourism department of provincial government, after a fake environmental impact assessment. These power stations are still being sold as being the cheapest option, in contrast to research and science showing that the financial and ecological costs are grossly underestimated. Environmental economists can show that the Social Cost of Carbon – now estimated at R45 000/tonne – makes South Africa's 500 megatonnes per year five times greater than the annual GDP.

Research now shows that for the same cost of Medupi and Kusile, Eskom could have generated in 20 years with renewable energy the amount of electricity these power stations will provide in 50 years, in other words, more than double. Power supply from the solar and wind power plants today cost one half as much as the Kusile and Medupi's electricity according UCT Energy Research Centre.

The same applies to fuel. In a country where over 60% of the population spend more than 10% of income on transport, sustainable solutions can and must be found to fuel crisis, and there is no reason for this, other than protecting "Minerals-Energy Complex." SA has an auto-manufacturing industry that can be mobilized to transition towards electric-powered mass public transport and vehicles, and beneficiate its abundant solar and wind power, and use pumped storage and molten salt as battery storage, giving us clean power supplies.

That would also prevent South Africa from being hit the coming European Union climate sanctions, in which a carbon border adjustment tariff is imposed on exports like our aluminium, steel, other smelted metals and automobiles.

Organise against the increases

GIWUSA is calling on all forces within organised labour (COSATU, SAFTU, FEDUSA, NACTU, AMCU, Solidarity and other Independent unions), community civics (including Mining Affected Communities United in Action MACUA/WAMUA, MEJCON, shackdwellers in Abahlali baseMjondolo); the unemployed (Unemployed Peoples Movement) and other networks such as the Cry of the Excluded; Climate Justice movements (Climate Justice Coalition, Climate Justice Charter, etc) to unite and organise to defeat these increases.

Alongside other community organisations, we are organizing for a mass meeting on Friday, 4 March 2022 to work out a fighting strategy and programme, including a national day of protest against these increases.

We are also calling on the trade union movement, Community Civics and the youth to join and build #GreenNewEskom Campaign to take forward the struggle against these increases, for increased Free Basic electricity, to oppose job losses and privatisation and for rapid just transition to renewable energy.

GIWUSA further demands:

- Stop Electricity Tariffs and fuel price increases;
- Access to energy for basic needs including transport, and household requirements must be a human right;
- Cancel Special Tariffs Agreements with big corporations: Make the corporations and rich to subsidise energy and make it affordable and accessible for the poor, not the other way.
- Invest almost R240 billion Government committed in bail outs of Eskom in a rapid transition to cheap, affordable, and sustainable renewable energy, in which the parastatal urgently builds capacity and nationalises the private suppliers' facilities.
- The board of Eskom be fired and replaced with democratically-elected representatives from organised labour, Community Civics and Consumers.
- Nationalise Sasol and repurpose it for clean energy and manufacturing of electric batteries.
- Nationalise auto manufacturing and repurpose it for rolling out electric powered vehicles and public transport system.

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