

INSIDE THIS ISSUE

- Spotlight: Political Party Funding Act
- Looking ahead

KEY: STRATEGIC DRIVERS

-  Transformation
-  Enabling laws and regulations
-  International positioning
-  Social security
-  SME development
-  Energy
-  Labour market development
-  Progressive pro-growth taxation
-  Enabling trade regime
-  Education and skills

BUSA PAYS TRIBUTE TO MINISTER JACKSON MTHEMBU, SON OF THE SOIL.

The late Mr Jackson Mthembu was minister in the presidency from May 2019 to 21 January 2021. He passed away due to covid-19 related complications.

He contributed immensely to the birth of the Metal and Allied Workers Union (MAWU), the predecessor of the National Union of Metal Workers (NUMSA). He was a leading member of the eMalahleni Civic Association. He led both the local branches of the National Education Crisis and the Detainees Parents' Support Committee (DPSC), all affiliates of the United Democratic Front (UDF) then.

BUSA President Siphon Pityana said organised business mourns the passing of Jackson Mthembu, one of South Africa's hardest-working Ministers and a reliable social partner to engage with.

In the recent period, alongside President Cyril Ramaphosa and Health Minister Dr Zweli Mkhize, Minister Mthembu became the public face of government's response to the COVID-19 pandemic, through countless public engagements. How tragic, then, to hear that it was the very pandemic which took his life.

Minister Mthembu's easy-going, persuasive public conversations about the Corona virus and the importance of responsible behaviour will remain with us long after his passing – as will the other important contributions he made as a Minister, as a Member of Parliament and, in his younger days, as a freedom fighter.

Minister Mthembu showed great courage – for example, while he was the Chief Whip of the ANC, which required him to stand firm on the need to act against the increasingly corrupt Jacob Zuma in extremely difficult circumstances. We salute him for that. He was, in many ways, almost larger than life – an animated conversationalist with the power of persuasion, always committed to doing the right thing and accepting responsibility, and a role model for anyone embracing the vital concept of leadership with integrity.

As with all those who have lost their lives to COVID-19, the greatest tribute we can pay is to embrace and enact the advice Minister Mthembu provided at every media conference and public engagement: we must wash our hands regularly, observe social distancing, wear facemasks in public and use government's COVID-19 app.

📍BUSAsite: <https://.org.busaza/>; Twitter, @BusinessUnitySA; and Facebook, @BusinessUnitySouthAfrica

POLITICAL PARTY FUNDING ACT

In a historic development for transparency and accountability in South Africa, President Cyril Ramaphosa has determined that the Political Party Funding Act will come into operation on 1 April 2021.

President Ramaphosa signed a Proclamation on the Commencement of the Political Party Funding Act, 2018 (Act no. 6 of 2018), which regulates public and private funding of political parties. The Act establishes funds to provide political parties represented in Parliament and legislatures with funding to undertake their work. It also requires that donations be disclosed by parties and donors to the Independent Electoral Commission (IEC).

The Act prohibits donations to parties by foreign governments or agencies, foreign persons or entities, organs of state or state-owned enterprises. Parties may however receive funding from foreign entities for training, skills development or policy development. No member of a political party may receive a donation other than for political party purposes.

The implementation of the Political Party Funding Act will have far-reaching consequences for good governance and ethical political activity. It will strengthen the confidence of citizens in the democratic political process and enable them to assert their right to information.

At the same time, through the establishment of the Represented Political Party Fund, which provides public funding to parties, and the Multi-Party Democracy Fund, which funds parties from private sources, the Act seeks to ensure that all represented political parties receive sufficient funds for their work in a fair and equitable manner.

The commencement of the Political Party Funding Act on 1 April 2021 is part of the commitment of this administration to improving transparency and accountability in government.

Business Unity South Africa (BUSA) President Siphon Pityana welcomed the signing of the Political Party Funding Act by President Cyril Ramaphosa.

He said, "It has been a long time coming, but the Political Party Funding Act is finally here — bringing with it a new era of transparency and accountability," said Pityana, who has played a central role in mobilising for the legislation – first in his capacity as chairman of CASAC and later as convenor of the Save South Africa campaign.

He added that "Civil society played an important role in shaping this legislation, recognizing it as a crucial instrument in breaking corrupt relationships between political parties and questionable benefactors,"

"As organised business, we welcome the formal signing of the legislation, and trust parties will move with speed to comply. Transparency around party funding is essential as it helps us to identify funders and recipients, which holds both political parties and business to account and inhibits corruption. It also ensures greater transparency around foreign funding, which is essential given the geopolitical space we find ourselves in.

"Equally important is the new transparency around donors to the Independent Electoral Commission, as we will have a clearer understanding of who may be trying to bankroll their way to business success through party performance."

President Siphon Pityana called on parties to comply with the legislation as soon as possible and emphasised the importance of business complying with its own anti-corruption prescripts.

"Even though state capture is being tackled through the increasing determination of the criminal justice system, there is still much more to do to contain and eventually eliminate corrupt practices, to ensure public money goes where it is most needed."

In a historic development for transparency and accountability in South Africa, President Cyril Ramaphosa has determined that the Political Party Funding Act will come into operation on 1 April 2021. Business Unity South Africa (BUSA) President Siphon Pityana welcomed the signing of the Political Party Funding Act by President Cyril Ramaphosa.

BUSA ON FORMER PRESIDENT JACOB ZUMA ON HIS INTENTION TO DISREGARD CONSTITUTIONAL COURT RULING



Business Unity President Siphon Pityana

The Chairperson of the Constitutional Assembly, Cyril Ramaphosa, when presenting the draft Constitution of SA to the National Assembly on 8th May 1996 for MP's to vote on, said:

"It (the Constitution) proclaims to the world that we are a society committed to democracy, to the rule of law and the protection of human rights. This constitution also creates a framework for sound and effective government in South Africa. It is good for investors, and it is also good for the rand."

On 1 February 2021, 25 years after leading a process to negotiate a globally respected constitution, President Cyril Ramaphosa faces a constitutional and legal crisis. This is because his immediate predecessor, Jacob Zuma, said after the Constitutional Court ruled in favour of the Zondo Commission that Zuma must abide by a summons to appear before the commission: "It is clear that the laws of this country are politicised even at the highest court in the land."

Our constitutional democracy and the rule of law are under severe threat when an ex-President defies the ruling of the highest court in the land.

Jacob Zuma has issued a statement saying he will defy this ruling.

If, as a country, we fail to act against such blatant violation of a decision by the highest court, we send a message that we have neither a political nor economic environment for investment in our country.

BUSA has consistently, for the last 3 years, emphasised the critical imperative to create an environment for much needed investment and growth in SA. Government has yet to make the necessary structural interventions to create such environment. This stance by ex-President Zuma will only serve to exacerbate investor anxieties and worsen the economic conditions for the exasperated population of SA.

The Constitutional Court ruled: "The former president's conduct is a direct breach of the rule of law....In our system, no one is above the law. Even those who had the privilege of making laws are bound to respect and comply with those laws."

