

# **Public Sector Employees in South Africa – Are they being short-changed?**

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## **1. Introduction**

The title of the paper is based on the conflict between the Minister of Finance Tito Mboweni and the public sector unions as soon as the Minister announced that public sector workers would not receive a wage increase in the fiscal year 2020. He made this announcement in spite of the fact that a three-year wage agreement between the state and public sector unions stipulated a wage increase for public servants each of the three years. Public sector workers and their unions were immediately up in arms and threatened mass strikes. It certainly seemed at the time the submission of an abstract of this paper for the 9<sup>th</sup> ILERA Africa Region Conference had to be made that public sector workers were not going to receive an increase in 2020-21.

What made the plight of public servants seem even worse is that Minister Mboweni announced that there would also be no increase in public servants' wages over the following three years as the state could not afford it.

In order to answer this question properly it is necessary to provide the necessary background by presenting the outcome of the 2021 negotiations between the state and public sector unions. In addition, employment of public servants over the past years up to the present is also presented. In order to provide the necessary background to answer the question whether public sector employees are being short-changed it is necessary to survey the employment and income in the private sector as well, especially since the time when the Covid-19 pandemic hit South Africa in March 2020. To complete the picture unemployment, poverty and hunger prevailing in the country are also presented.

The outcome of the investigation is that it is rather the private sector employees and all citizens in the country that is being short-changed. Since public servants are also citizens of the country, they are also short-changing themselves.

The paper ends of by asking what can be done to rectify the situation. The answer it comes up with is that it is necessary to go beyond political, economic and social policies and to include moral issues based on religious grounds. To do so the paper draws on the writing and insights of two renowned religious authors, Karen

Armstrong and Jonathan Sacks. They spell out the principles of compassion and morality and how these would lay the ground for building a just, fair and caring South Africa without hunger or poverty. The paper thus ends on an optimistic note.

## **2. Minister Tito Mboweni sparks the anger of public sector unions**

The foundations for the confrontation between Minister of Finance Tito Mboweni and public sector unions were laid a mere two weeks after he was appointed by President Ramaphosa when he presented his Medium-Term Budget on 24 October 2018.

In his presentation he said:

“The Medium-Term Budget Policy Statement is an opportunity to restore trust between government and society. South Africans correctly expect more from their government. They are right to expect that their money is spent wisely and productively, and goes to meeting their basic needs. . . .

“We must choose to reduce the structural deficit, especially the consistently high growth in the real public sector wage bill. . . .

“The 2018 public-service wage agreement exceeds budgeted baselines by about R30.2 billion over the medium term. We have not allocated additional money for this. National and provincial departments will be expected to absorb these costs within their compensation baselines. . . .

“The wage bill remains the biggest cost pressure on the budget. Over time, wages have crowded out other goods and services and capital investment, particularly in health, education and defence. In some cases, this has contributed to a build-up of unpaid invoices in provincial departments.

“Around 85 per cent of the increase in the wage bill is due to higher wages, rather than headcount increases.” (Mboweni 2018)

In the 2019 Budget speech on 20 February, Minister Mboweni clearly indicated that he intended to curtail the public sector wage bill:

The public wage bill is unsustainable. We must shift expenditure to investment. National and provincial compensation budgets will be reduced by R27 billion over the next three years.

The first step is to allow older public servants who want to do so, to retire early and gracefully.

This will save an estimated R4.8 billion in 2019/20, R7.5 billion in 2020/21 and R8 billion in 2021/22. In time this will be complemented by limits on overtime and bonus payments as well as pay progression.

Then, “on 28 October 2020, in his medium-term budget policy statement, Finance Minister Tito Mboweni revealed National Treasury’s plans to freeze public sector wages for the next three years, to help cut its salary bill” (CSO SA 2020).

That set the cat among the pigeons. The anger and outrage it caused among public sector unions is caught by the headlines in *Mail & Guardian* (2020, 30 Oct – 5 Nov, p.25) “State’s wage freeze sparks apoplexy”.

Mugwena Maluleke, COSATU” s chief negotiator in the wage talks, likened the announcement of the freeze to “a declaration of war”. Reuben Maleka, the assistant general manager of the Public Servants Association of South Africa (PSA), said the government’s announcement undermines collective bargaining. He added that the association would “fight fire by fire” for the 2018 agreement to be fulfilled.

Before presenting what finally emerged from the heated collective bargaining between the state and public sector unions, there is an underlying question that has to be answered. Why did Minister Mboweni announce there would be a wage freeze for public sector employees? What were the facts he was taking into consideration? To answer this, it is necessary to examine the financial situation facing the state at that stage.

### **3. The state’s financial situation**

Going back to 2018, the year Tito Mboweni became Minister of Finance, the situation at the time of the budget delivery in February, the Treasury described the financial situation the state faced as follows:

- Compared with the 2017 Budget projection, the gross borrowing requirement for 2017/18 increased by R25.1 billion to a total of R246 billion.
- Net debt is expected to be R2.28 trillion in 2017/18, or 48.6 per cent of GDP;
- Debt-service costs have increased to an estimated R163.2 billion in 2017/18, or 3.5 per cent of GDP. (National Treasury 2018:81)

To put it another way, national government debt-service costs amounted to 13.7 per cent of revenue in 2017/18 (National Treasury 2018:89-90). The government was still getting deeper into debt: Its “gross borrowing requirement in 2017/18 was R246 billion, consisting of R217.3 billion for the budget deficit and R28.7 billion for debt repayments” (National Treasury 2018:81-82).

In the following three years the state’s financial situation worsened even more. In the *Financial Mail* (15-21 August, 2019:2) Claire Bisseker wrote “South Africa is sliding inexorably into a debt trap, with the government unable ... to prevent a steady rise in the country’s debt ratio.” Her prediction was spot on. The debt service costs in 2018-19 rose to R202.2 billion and its total gross loan debt stood at R2.81 trillion (National Treasury 2019: v and 84). By the end of fiscal year 2019-20, government’s gross borrowing rose to R407.3 billion and its total gross loan debt to R3.18 trillion (National Treasury 2020:77 and 84).

Government debt increased most drastically in the 2020/21 fiscal year due to the impact of Covid-19 pandemic. Gross debt increased from 65.6 per cent to 80.3 per cent of GDP with the debt service cost amounting to no less than R269.7 billion for the year 2020/21 (National Treasury 2021: iii and v).

In addition, “government’s the gross borrowing requirement, which consists of the budget deficit plus maturing loans, increased significantly from R432.7 billion to R670.3 billion, or from 8.0 to 13.6 per cent of GDP” (National Treasury 2021:79). AS a result, the gross loan debt was estimated to stand at R3.95 trillion, equal to 80.3% of the GDP, up from 63.3% in 2019-20 (National Treasury 2021:87, Table 7.7). The national government debt-service costs totalled R233 billion, 19.4% of revenue, in 2020-21 (NT 2021:88, Table 7.9).

What was it that contributed to this rising government debt? In his Medium-Term Budget speech Minister Mboweni stressed the “consistently high growth in the real public sector wage bill.” In addition, “The 2018 public-service wage agreement

exceeds budgeted baselines by about R30.2 billion over the medium term” (Mboweni 2018). But there are other reasons as well.

#### **4. Reasons for the state’s debt**

One of the main contributors to the state’s heavy debt load was, and still is, public sector institutions, commonly referred to as state owned enterprises (SOEs). The role of the National Treasury’s analysis and assistance for the loss-making SOEs for the financial year 2018/19 is presented first.

First of all, Eskom piled up an enormous debt of up to R484 billion at its peak in 2020.<sup>1</sup> Already in 2019 the National Treasury stated: “The depth of the financial crisis at Eskom requires government to support the utility’s balance sheet with amounts of R23 billion per year . . . These amounts will allow Eskom to service its debts and meet redemption requirements” (National Treasury 2019:3). Before that Eskom was in no position to service its own debt as it made a loss of R2.3 billion in 2017/18. The poor performance of its existing and new generation plants as well as high municipal arrears contributed to weakening Eskom’s liquidity (National Treasury 2019:92-93).

“Denel, a producer of military and aerospace equipment, reported a net loss of R.18 billion in 2017/18. . . . The group’s gearing ratio increased from 122 per cent to 361 per cent, meaning that its debt is more than triple its equity. Denel’s cost structure is unsustainably high.”

South African Airways (SAA) “incurred net losses of R1.5 billion in 2015/16 and R5.6 billion in 2016/17”. The airline was “not generating sufficient cash to repay its maturing debt or cover its working-capital requirements”.

South African Post Office (SAPO) incurred a loss of R987 million in 2016/17 and a slightly lower one of R908 million in 2017/18. “In 2017/18 government recapitalised the Post Office with R3.7 billion to settle maturing debt.” (National Treasury 2019:93-94)

There were many other reasons for the state’s poor financial situation Top of the list is corruption and incompetence. We all know about state capture with former

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<sup>1</sup> <https://www.polity.org.za/article/eskom-debt-solution-remains-a-work-in-progress-despite-reduction-to-r401bn-2021-05-25> Accessed on 21 Sept 2021.

President Zuma and the Guptas, but it goes much wider and deeper than that. It also preceded Zuma's presidency and even started under President Mandela's presidency with the arms deal for which Zuma is still facing multiple charges for fraud. But the corruption went much deeper than just state capture.

In their book, *Shadow State: The Politics of State Capture*, Chipkin and Swilling (2018) maintain that a shadow state had been established clandestinely. They draw on an earlier publication overseen and co-authored by Swilling (2017), *Betrayal of the Promise: How South Africa is being Stolen*. It "documents how the Zuma-centred power elite has built and consolidated this symbiotic relationship between the constitutional state and the shadow state in order to execute the silent coup" (Swilling 2017:2). Chipkin and Swilling (2018: ix) explain:

"The constitutional state is the formalised constitutional, legislative and jurisprudential framework of rules that governs what government and state institutions can and cannot do. The shadow state is the networks of relationship that cross-cut and bind a specific group of people who need to act together in secretive ways so that they can either effectively hide, actively deny or consciously "not know" that which contradicts their formal roles in the constitutional state. This is a world where deniability is valued, culpability is distributed and trust is maintained through mutually binding fear."

The media coverage of state capture and incompetence is very extensive. Almost every day there are reports on corruption or incompetence on the part of the state. They also do not mince their words. Just a few examples will illustrate this:

In an article by Claire Bissek in *Financial Mail* (6-12 August 2020:23-24) entitled "Endgame for South Africa", the opening lines read: "SA is in a terrible bind. After a decade of economic mismanagement and rising debt, its public finances are hopelessly overextended just as the country faces its worst recession since the 1930s". She continues, "In junking SA's sovereign credit ratings, all three of the major ratings agencies have effectively said SA has lost the battle", and points out that there has been a steady rise in public debt from a mere 26% of GDP in 2009 to an estimated 81% for 2020/21.

This has far-reaching negative consequences. Linda Ensor pointed out in *Business Day* (4 March 2021:3) that the reduced budgetary allocation and lower revenue

collections by cash-strapped municipalities was going to impact negatively on service delivery for their communities.

On the housing front an article by Khaya Koko in the *Mail & Guardian* (11-17 June 2021:6) reported that more than R300 million could not be accounted for in the Eastern Cape's housing budget. What was worse is that the Eastern Cape provincial government had seemingly given up on retrieving the missing R341.5 million. Consequently, only a fraction of the intended houses for low-income earners in Duncan Village were provided.

With regards to the looting that took place in KwaZulu-Natal and Gauteng in mid-July 2021 Chairperson of the Portfolio Committee on Police, Tina Joemat-Pettersson alleged that it was the lack of resources, manpower, and funding that accounted for the police not being able to prevent the unrest. She said that, if the police were well-equipped, they would have prevented massive looting in parts of KwaZulu-Natal and Gauteng. (News 24 2021)

But the problem went deeper than that. Contradictions emerged between two cabinet ministers over which state department was to blame for the police's late and inadequate response. On Tuesday, 20 July, Police Minister Bheki Cele denied that the State Security Agency had provided police with intelligence before the violence started. However, the week before that State Security Minister Ayanda Dlodlo asserted her department had provided the police with "adequate" intelligence before the violence broke out. Cele resolutely denied that he or anyone in his department received any such information. (msn 2021)

Incompetence can also facilitate corruption by letting it happen or failing to correct it once it has been uncovered. A report in the *Mail & Guardian* by Ntwaagae Seleka (17-22 September 2021:4) illustrates how this happens: "Despite the Special Investigating Unit (SIU) finalising Covid-19-related procurement corruption investigations worth R3 billion, national and provincial department have failed to discipline 63 of the 127 officials implicated in the alleged graft. Of the 127 officials that the SIU flagged for allegedly enabling procurement corruption, about 60% were senior managers who, the unit found, displayed a flagrant disregard for procurement regulations. It was not only the 127 officials who executed the corrupt procurements. "Officials working with support services processed commitment letters, purchase

orders, invoices and payments without ensuring compliance with normal [supply-chain management] prescripts and other control measures,” the SIU report said.

Having elaborated what has given rise to the dire financial situation of the state that made Minister Mboweni maintain that the state had to curtail state expenditure on public servants” burdening wage bill, the consequences of Mboweni’s announcement are explored next by examining the angry response of the unions and the events that followed. It is covered by following newspaper headlines and report, not the nitty-gritty of what happened at the negotiating table.

## **5. Negotiations between the state and public sector unions**

Even before the negotiations commenced it seemed certain that the public sector unions were going to strike over the announced wage freeze. The newspaper headlines certainly trumpeted it out loudly.

*Die Burger* announced: “Staking dreig in staatsdiens”<sup>2</sup> (22 Dec 2020, p.1).

In spite of the threats of strike, Mboweni was not letting up: “Mboweni sticks to hard line on public service salaries” *Business Day* (25 Feb 2021, p.4) announced.

Thereupon *City Press* warned: “Unions gear up for wage battle: Unions are refusing to budge from their wage demands, setting the scene for conflict with the state” (7 March 2021, p.1)

*Daily Maverick* broadens the battle from Mboweni to the state by declaring: “State tries to curb spiralling wage bill” (13-19 March 2021).

And the unions follow suit: “Public service’s union threaten total shutdown” warned *Business Day* (6 April 2021, p.3).

But towards the end of April 2021 the militant tone became softer as negotiations got under way. “Public servant salary freeze proposal get icy reception” *Daily Maverick* announced (24-30 April 2021, p.19). Although the strike threat remained it emerged that the parties started reaching a stage where they were searching a compromise that would avoid a strike.

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<sup>2</sup> “Strikes threat in the civil service”

Public Service and Administration Minister Senzo Mchunu announced that he was “finding a third way” and took the “unprecedented and rather creative” of opening up the process to citizens of the country to try to come up with a solution. Two weeks later *Financial Mail* claimed that “Civil society is back the move by public service and administration minister Senzo Mchunu to canvass public opinion to break the deadlock in the public sector wage talks.” (6-12 May 2021, p.18).

The country’s citizens were not given much time to try to come up with a solution as a mediator was soon appointed to try to assist the parties to come to an agreement. To ensure the independence of the mediator an international facilitator from the United Nation’s International Labour Organisation (ILO) was appointed (*Die Burger*, 10 May 2021, p.11). Thereupon the tone of newspaper reports softened. “State sweetens wage offer but holds firm” *Business Day* revealed (18 May 2021, p.1).

But there were still tough negotiations and the threat of a strike raised its head again. “Public sector unions ready to strike next week as talks stall”, *City Press* revealed (6 June 2021, p.1). The parties were sticking to their guns. “State refuses to budge: Public sector trade unions and government locked in war of wills” *City Press* announces two weeks later (20 June 2021, Business p.1).

Finally, after many months of tough negotiations, a settlement is reached: “Government clinches deal with public sector unions” *Business Day* announced on its front page on 27 July 2021. The general impression was created that the wage increase was only one and a half percent, for instance, *Die Burger* headline states “Staatsdiens staak nie; vakbonde vat 1.5 %” (27 July 2021, p.12). But in reality, the unions achieved a remarkably high increase, captured by the headline in *Business Day*: “Lowest paid public servants get offer of effective 11.7% pay rise” (5 March 2021, p.3).

What explains the difference between these two reports? The next section gets into the nitty-gritty details of the agreement.

## **6. The Settlement**

The difference between the two percentages is due to a non-pensionable cash allowance payable to all employees who were in the employ of the public service on or after 1 April 2021. The allowance is paid on a sliding scale that is lowest for the

bottom income earners and highest for the top ones. Levels 1 to 5 employees receive a cash equivalent of R1220 per month, levels 6 and 7 R1352 per month, levels 8 and 9 R1450, levels 10 and 11 R1640, and the top level 12 R1695 per month. The non-pensionable cash allowance is backdated from 1 April 2021 to 31 March 2022. However, it appears that the increases were carefully calculated to ensure that employees at every level received R1000 per month after tax. Even so, top income earners would still receive a larger increase than the lower income earners due to the fact that 1.5% of their salaries is higher than that of lower income earners. In percentage terms, though, the lowest income earners receive the greatest percentage increase of 11.7%. This is more than what the unions themselves were demanding, namely a Consumer Price Index (CPI) increase of 4.2% plus another 4% across the board, adding up to 8.2%. The unions also made sure that workers did not lose out after 31 March 2022 by getting an agreement that the non-pensionable cash allowance will remain in force until a new agreement is entered into by the parties. (PSCBC 2021a and b, *Business Day* 27 July 2021, pp.1 and 2, *Business Day* 5 March 2021, p.3)

In addition, the state is paying a once off pensionable salary adjustment of at least 1.5% to all employees employed in the public service on 1 April 2021. This would only apply to those who do not qualify for a pensionable increase derived from a pay progression due to years of service or promotion to a higher level. However, “those employees stuck on the top of their [salary grade] notches for years the opportunity to move with a 1.5% adjustment that would not have been possible before”, said Mr Frikkie de Bruin (quoted in *Business Day*, 5 March 2021, p.3)<sup>3</sup>

Before considering the question whether public servants were short-changed, there are two other aspects that need to be considered. Firstly, the situation civil servants faced with regards to their employment and salaries. Secondly the situation of employees in the private sector and the rest of the country’s population without any

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<sup>3</sup> Other Resolutions found on the PSCBC website

PSCBC 2011 Resolution Clause 3.3.1 Home ownership is ensured for all levels of employees

PSCBC 2019 Resolution clause 4.4 “Employment security is a priority . . . no employee shall lose his/her employment”

links with public sector employees. This includes looking at their minimum wages and the extent of poverty and hunger in the country.

## 7. Employment and salaries of public servants

Annual employment figures of civil servants extracted from Stats South Africa by Africa Check (2020) show that, between the fourth quarter of 2009 and the fourth quarter of 2019, the number of civil servants in South Africa grew from 1,780,553 to 2,108,125 – an increase of 327,572. The annual employment figures over this period are as follows:

Year	Employment
2009	1,780,553
2010	1,847,075
2011	1,906,053
2012	1,948,934
2013	1,999,717
2014	2,069,751
2015	2,077,881
2016	2,056,697
2017	2,046,550
2018	2,055,606
2019	2,108,125

These totals are made up of figures from national, provincial and local government departments, universities and technikons, and extra-budgetary institutions. It also includes full-time and part-time employees. <sup>4</sup> Note that there is an increase every year except in 2017 and 2017 when employment declines.

Unfortunately, efforts to obtain figures for the employment figures of public servants in 2020 and 2021 could not be obtained. This is a serious gap as it is important to know what the impact of Covid-19 and the ensuing lockdowns since March 2020 has been on them in order to compare them with the impact Covid-19 has had on private sector workers.

With regards to salaries of civil servants, there is no simple answer. This is because it is very wide-ranging with a plethora of occupations and levels of pay. The information below is drawn from the file on salary scales for 2018/2019 of the three-

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<sup>4</sup> According to Africa Check (2020) “The government’s payroll system shows that the number of civil servants in South Africa rose by 47,867 between 2009/10 and 2018/19, from 1,247,287 to 1,295,154. It peaked in 2012/13 with 1,327,231 employees and has been steadily declining since.” Maybe these figures refer only to employees working for the national government, but it is not clear?

year agreement from 2018/2019 to 2020/2021 on the Public Service Co-ordinating Bargaining Council (PSCBC) website. The 2021/2022 salary scale for the lowest income earners would roughly be 17% higher than their wages presented below.<sup>5</sup>

The Salary Scales are very extensive covering a wide range of occupation, each with 6 levels of pay. The occupations included are nurses (professional, staff and assistants), legally qualified personnel such as attorneys and advocates, social service professionals, engineers, construction managers, architects and surveyors, as well as a wide range of medical health and pharmaceutical professionals and practitioners. There are also scales for Public Service Act appointees (PSAPs) without occupational specific dispensations (OSDs) and hourly rates for contract employees. It is impossible to provide a comprehensive coverage in this paper. The focus will mainly be on the lower incomes as well as a glimpse at top salary earners. The salaries given are for 2018/2019.

The lowest earning full time public servants are Public Service Act appointees without occupational specific dispensations (PSAPs without OSDs). The starting annual salary of a grade 1 PSAP was R89,631 or R7,469 per month. But there is an immense range. At the top a grade 12 PSAP starts with R826,053 or R68,838 per month, nine times higher than the starting grade 1" s salary.

The low-earning public servants with OSDs are to be found in nursing, social services, community development, child and youth care workers, and assistants for health professionals. Table 1 below presents their lowest salaries

**Table 1:** Lowest salaries of public servants in least-paying occupations, 2018-2019

<b>Occupation</b>	<b>Annual Salary</b>	<b>Monthly Salary</b>
Nursing Assistant	R124,788	R10,399
Community Development Assistant	R132,729	R11,060.75
Child and Youth Care Worker	R132,729	R11,060.75
Social Auxiliary Worker	R139,563	R11,630.25
Dental Assistant	R158,595	R13,2016.25

Source: Public Service Co-ordinating Bargaining Council Salary Scales 2019

<sup>5</sup> The calculation was made on the basis that the 2019/2020 increase which was CPI + 1.0% for occupation levels 1-7 = 4.1% + 1.0% = 5.1%. The 1.5% increase that was agreed to for 2021/2022 brings the increase up to 6.6%. Finally, the R1220 non-pensionable monthly income constitutes roughly 10.2% of the low-income earners, since their total wage increase for 2021/2022 was announced to be 11.7%. The wage increase of the lower income earners would thus be 6.6% + 10.2% = 16.8%, rounded off to 17% for the lowest income earners.

Although nursing assistants are the lowest paid public servants with an OSP, nurses higher up the occupational hierarchy earn considerably more. A professional nurse grade 3 is considerably higher, starting at R 362,559 annually or R30,213 per month.

There are also high flyers in the public service. The overwhelming majority of professionals in the legal, engineering and medical occupations earn over a million Rand per year with some topping the R2million mark in 2018-2019.

To complete the background information required to address the question whether public servants are being short-changed, the situation of those citizens without any links with public servants. The focus is on unemployment, poverty and hunger.

## **8. Unemployment, poverty and hunger in South Africa**

### Unemployment

Unemployment and poverty have been haunting South Africa for over a century. The sad reality is that there has been no meaningful progress in eliminating, or even reducing them, for the last twenty years.

The unemployment rate stood at 23.3% in 1999 and increased to 29.0% in 2019. More alarming is that the number of unemployed over that period more than doubled from 3.16 million in 1999 to 6.67 million in 2019. The expanded unemployment rate, which includes discouraged workers who have stopped looking for work, stood at 38.5% in 2019. (CRA 2019:291; Stats SA 2019:1 and 39).

The strict lockdown when the Covid-19 pandemic hit South Africa in March 2020 had a devastating effect on employment. There was an employment blood bath.

According to Stats South Africa employment fell by more than two million from 16.38 million of the previous quarter to 14.15 million during the second quarter of 2020 as employers either had to lay off workers or shut down. According to the Nids-Cram Survey<sup>6</sup> more workers - 2.8 million - lost their jobs between February and April 2020 (Spaul 2020:21). The number of unemployed workers also declined as many gave

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<sup>6</sup> Nids-Cram stands for the National Income Dynamic Study: Coronavirus Rapid Mobile Survey. It conducted a nationally representative telephonic survey in which more than 7,000 South Africans were asked about their employment, income, hunger, grant receipt, and demographic questions. It used over 50 call centre agents and conducted 20-minute interviews with each participant.

up even looking for work. As a result, the expanded rate of unemployment rose to 42.0%. (Stats SA 2020:1 and 46)

The sharp rise in unemployment during April 2020 was accompanied by an extensive increase in hunger as well. According to the Nids-Cram Survey 2.2 million suffered from hunger and 47% of households did not have enough money to purchase food up to the end of the month during April. This was more than double the 21% whose incomes were too low to buy enough food for a given month. In households with children it was found that 4% were suffering from hunger every day or almost every day. (*Die Burger*, 16 July 2020:1)

A year later employment had improved, but nowhere near the pre-Covid level of employment. Employment rose 14.94 million in the second quarter of 2021, but still a far cry from the 16.31 million employed in the second quarter of 2019. Unemployed workers under the expanded definition of unemployment rose ominously by more than one and a half million to 11.92 million and the expanded rate of unemployment to a highest ever of 44.4%, almost half of the entire labour force of South Africa. (Stats SA 2021:1 and 46)

### Poverty and Hunger

In 2005 the government decided to introduce an official national poverty line. Households or individuals whose incomes fall below a given level of the poverty line are classified as poor. Eventually three poverty lines were officially sanctioned.

“The “food poverty line” (FPL) was the level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet. The “lower bound poverty line” (LBPL) included non-food items, but requires that individuals sacrifice food in order to obtain these. The “upper-bound poverty line” (UBPL) is the income level that allowed people to purchase both adequate food and non-food items.” (Seekings and Nattrass, 2016:38) Table 2 below presents all three poverty levels to compare and show the different results for the different measures.

**Table 2: Upper Bound, Lower Bound, and Food Poverty Levels by numbers and proportions**

Poverty headcounts (in millions)	2006	2009	2011	2015
Percentage of the population that is UBPL poor	66,6%	62,1%	53,2%	55,5%
Number of UBPL poor persons (in millions)	31,6	30,9	27,3	30,4
Percentage of the population that is LBPL poor	51,0%	47,6%	36,4%	40,0%
Number of LBPL poor persons (in millions)	24,2	23,7	18,7	21,9
Percentage of the population below FPL	28,4%	33,5%	21,4%	25,2%
Number of poor persons (in millions)	13,4	16,7	11,0	13,8

Source: Stats SA 2017:14.

The Table shows the great importance of the definition of poverty that is used. The UBPL and LBPL poverty lines are significantly higher than the Food Poverty Line. The LBPL is generally more than one-and-a-half times as high and the UPBL more than twice as high.

The second important finding of the Table is that the level of poverty declined from 2006 to 2011, but start rising again between 2011 and 2015. In 2015 a quarter of the population were below the FPL and more than a half were UPBL poor. The poverty levels declined from 2006 to 2011 in spite of the fact that the unemployment level increased slightly over that period. Seekings and Natrass (2016:44) thought that it may have been due to pensions and grants. They were on the right track. “In a paper on social grants, Tim Kohler and Haroon Borat show that the number of grant recipients in the country increased by about 4 million between 2009 and 2019 (from 14 million to 18 million recipients)” (Spaul 2020:22).

Given all the above, the question arises of who are being short-changed and what can be done about it.

## **9. Who are being short-changed?**

The wage settlement in the public sector in 2021 shows that public servants were not short-changed by the state. In fact, the salary increases they received are higher than the increases that workers have been able to obtain in the private sector.

The lowest hourly rate that could be identified in the Public Service Co-ordinating Bargaining Council Salary Scales for 2018-2019 is the hourly rate of R83 for contract employment of nursing assistants. As from 1 March 2021 this would have increased by approximately 17% which comes to around R97 per hour. In comparison, the

National Minimum Wage (NMW) applicable in the rest of the economy was set at R21,69 per hour for the year 2021 with effect from 1 March 2021. However, for domestic workers it is lower at R19.09 per hour. There are many employees in the private sector who earn this little. The lowest identifiable minimum wage for public servants is more than four times than the minimum wage for workers in the private sector.

In terms of employment the Covid-19 pandemic and lockdown had the devastating effect of reducing total employment in South Africa by 2.24 million from 16.38 million to 14.14 during the second quarter of 2020. A year later not much ground had been made. Total employment during the second quarter was still 1.44 million lower than in the first quarter of 2020. It is not clear to what extent there was a loss of employment in the public service as a result of the Covid-19 pandemic. In September 2021 employment in the public service stood at approximately 1,199,988 employees, excluding Department of Defence, Parliament, Provincial Legislatures and Local Government.<sup>7</sup> This is 908,000 less than the more inclusive 2019 public service employment figure of 2,108,125 that includes national, provincial and local government departments, universities and technikons, as well as extra-budgetary institutions (Africa Check 2020), so they are not strictly comparable. There has, however, not been much publicity about job losses in public service, whereas there has been extensive coverage of massive job losses in the private sector and the dire consequences.

To reverse the question; are public servants short-changing not only employees in the private sector, but all the citizens in the country including themselves? The failure of service delivery in almost all domains of the state at national, provincial and municipal levels is spread widely across the country. It is happening in electricity and water supplies, sewerage and cleaning, rail transport, lack of maintenance of roads and rails and so much else. Almost every day the newspaper and other media will report on one or other service failure.

Another daily regular in the media is about corruption and incompetence in the public service. Usually, it is attributed to a high up politician or senior official in the civil service, but, as has been shown by Chipkin and Swilling, it relies extensively on

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<sup>7</sup> Personal communication to the author from the Department of Public Service and Administration.

public servants lower down. They maintain that there is a “network of relationship that cross-cut and bind a specific group of people who need to act together in secretive ways so that they can either effectively hide, actively deny or consciously “not know” what is going on” (Chipkin and Swilling 2018: xi).

In addition, the incompetence is widespread. To give just one example, in an article in *Daily Maverick 168* Ed Stoddart tracked governance failures across a wide range of state departments as well as their extent. For example, there are 5,326 number of applications for mining and prospecting rights and permits, renewals and cessions or the sale of rights that are caught in a logjam at the Department of Mineral Resources and Energy. In the Police services there was a backlog of 208,000 forensic DNA testing samples that could lead to convictions in rape and murder cases. The article proceeds to list backlogs in a number of other departments including Basic Education, Agriculture, Land Reform and Rural Development, Communications and Digital Technology, and Water Affairs. Stoddart attributes the 2,022 major service delivery protests from 2004 until June 2021 directly to state failure, and draws a harsh conclusion:

“This woeful situation also means that South African taxpayers and the wider public are getting a terrible return on the money spent on “public service”. In 2006/07 there were 1.2million public servants. There are now 1.3 million. But the wage bill was R154-billion in 2006/7. For 2021/22, the wage bill will be R650.4-billion or possibly more. It has soared unsustainably because of above-inflation salary adjustments that demonstrably bear absolutely no relation to performance.” (*Daily Maverick 168*, 10-16 July 2021, p.17)

The incompetence in state departments can be attributed to a large extent to the appointment of unqualified senior managers in state departments. In April 2021 Minister Senzo Mchunu, Minister of State Service and Administration stated that, as of February, 3,301 of the 9,477 senior managers in national and provincial departments did not have the requisite qualifications for their posts. This amounted to 35% of all senior managers in state service. On what could be done to correct the situation Minister Mchunu said that guidelines regarding compulsory capacity development, education and training have been instituted since 1 April 2017.

Professor Erwin Schwella attributed the appropriate appointments to cadre deployment. (*Die Burger*, 13 April 2021, p.1).

Incompetence also leads to delays in correcting the misdemeanours that were committed. These delays can easily add up to corruption as the wrong is never righted, and justice delayed is justice denied. A telling example of this is the case where 530 disciplinary procedures were completed in financial-year 2019/20 of state officials due to financial misconduct on their part amounting to R516 million. Michael Selokane, Commissioner of the State Service Commission responsible for integrity and anti-corruption, reported to parliament that, a year later, only R1.1 million had been recovered and that a mere 80 criminal investigations had been instituted. Another 592 disciplinary procedures were still awaiting completion. He made the point that all the money misallocated could have been put to so much good use instead. (*Die Burger*, 3 June 2021, p.5)

While there are some public servants who benefit financially from corruption and incompetence in the state, the reality is that all public servants also suffer the consequences of state failure. Loadshedding, water cuts, poor cleaning services, potholes in the road, and all the other service delivery failures effect public servants as adversely as everyone else. Public servants are therefore not only short changing everyone else, but also themselves. It is therefore as much in their own interest as private citizens to put an end to corruption and incompetence and provide efficient and effective public services. But the question is how can this transformation be achieved. This is considered next.

## **10. What is to be done?**

The most obvious transformation is to put an end to corruption and incompetence. It means putting an end to cadre deployment and cronyism and appointing staff with the requisite qualifications on the basis of merit. The rule of law needs to be established. Law breakers need to be charged, sentenced and removed from office.

But all this is easier said than done because the culture of corruption and incompetence have become deeply ingrained and are going to be hard to break. There could also be serious negative consequences for those who break rank and become whistle-blowers.

It is also important that there are public servants who are competent and work hard to deliver quality services to the public. They can be found at all levels within the public service. The question then becomes how can their orientation of real and efficient service delivery be extended to their fellow public servants and to all the citizens in the country as well?

One answer lies in looking towards an ethical solution based within religion and applicable to all faiths. There are two key concepts that capture this ethical orientation. They are compassion and morality. Two authors have spelled out very well what they entail and how they apply. One is Karen Armstrong who has spelled out what compassion entails and the other is Jonathan Sacks who does the same on morality. They are each discussed in turn.

Karen Armstrong is a former Roman Catholic religious sister, she developed from a conservative to a more liberal Christian faith. She has become a famous author and is known for her books on comparative religion. She is also passionate campaigner for religious liberty. (Wikipedia [https://en.wikipedia.org/wiki/Karen\\_Armstrong](https://en.wikipedia.org/wiki/Karen_Armstrong))

In her book, *Twelve Steps to a Compassionate Life*, she provides an insightful account of what compassion entails and its foundation in all religions. She summarises it all very well in one paragraph:

All faiths insist that compassion is the test of true spirituality and that it brings us into relation with the transcendence we call God, Brahman, Nirvana or Dao. Each has formulated its own version of what is sometimes called the Golden Rule: “do not treat others as you would not like them to treat you” – or in its positive form: “Always treat others as you would wish to be treated yourself”. Further, they all insist that you cannot confine your benevolence to your own group: you must have concern for everybody – even your enemies. (Armstrong 2011:1-2)

In the rest of the book she spells out the twelve steps leading to a compassionate life. These steps include: Learn about Compassion, Compassion for Yourself, Empathy, Mindfulness, Action, Concern for Everybody and, finally, Love Your Enemies.

Jonathan Sacks was a British Orthodox rabbi, philosopher, theologian, author, peer and public figure. He became Chief Rabbi of the United Hebrew Congregations of the Commonwealth and served in that position from 1991 to 2013. In 2009 the House of Lords bestowed a life peerage on him with a seat in the House of Lords. He thus became Baron Sacks. He died in November 2020. He wrote 25 books in all. The second last one was entitled *Morality: Restoring the Common Good in Divided Times*. What he has to say in it is in close conformance with Judeo-Christian faith and embodies the same ethics as that of all other major religions including, Islam, Hinduism, Buddhism, Confucianism and Taoism.

Sacks spells out the need for morality as well as what it means at the start of his book:

Societal freedom cannot be sustained by market economics and liberal democratic politics alone. It needs a third element: morality, a concern for the welfare of others, an active commitment to justice and compassion, a willingness to ask not just what is good for me, but is good for all-of-us-together. It is about “Us”, not “Me”; about “We”, not “I”.

If we focus on the “I” and lose the “We”, if we act on self-interest without a commitment to the common good, if we focus on self-esteem and lose our care for others, we will lose much else. Nations will cease to have societies and instead have identity groups. We will lose our feeling of collective responsibility and find it its place a culture of competitive victimhood. (2020:1)

Near the end of the book he pulls everything he had written together to summarise why morality matters:

Morality matters, finally, because despite all fashionable opinion to the contrary, we remain moved by altruism. We are touched by other people’s pain. We feel enlarged by doing good, more so perhaps than by doing *well*, by material success. Decency, charity, compassion, integrity, faithfulness, courage, just being there for other people, matter to us. (2020:320)

In the last chapter of the book Sacks introduces the concept covenant. He continues by explaining how he understands and applies the concept, starting at the individual personal level and ending with an all-encompassing political level. It is best to let him have the final inspiring word:

Covenants are moral commitments sustained by loyalty and fidelity, even when they call for sacrifice. They are about you and I coming together to form a “We”. A covenant creates a moral community. It binds people together in a bond of mutual responsibility and care.

What matters in a covenant is not how big or small is the group thereby included, but the commitment. It is the undertaking of responsibility for others, knowing that they too undertake responsibility for us. In a covenant, what matters is not wealth or power but the transformation that takes place when I embrace a world large than the self.

Covenantal politics is about “We, the people”, bound by a sense of shared belonging and collective responsibility; about strong local communities, active citizens and the devolution of responsibility. It is about reminding those who have more than they need of their responsibilities to those who have less than they need. It is about ensuring that everyone has a fair chance to make the most of their capacities and their lives.

One of the great historical lessons is that societies become strong when they care for the weak. They become rich when they care for the poor. They become invulnerable when they care for the vulnerable. That is the beating heart of the politics of covenant. (2020:326-7)

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