

BUSA REMARKS AT THE 2024 NEDLAC ANNUAL SUMMIT
DELIVERED BY CHIEF EXECUTIVE OFFICER – CAS COOVADIA
6 September 2024

Deputy-President Paul Mashatile

Minister Nomakhosazana Meth and other Ministers present

Nedlac ED – Lisa Seftel

Leadership of Nedlac stakeholders, Organised Labour, Organised Community, the International Labour Organisation and other international partners present.

Ladies and gentlemen

This Summit celebrates the 30-year milestone for Nedlac, and a celebration of Nedlac promoting social dialogue and its critical role in promoting our democracy, while recognising the challenges that lie ahead.

We congratulate the Executive Director and her team on a good year, with achievements we recognise. These include a clean audit, all but one KPI's being achieved, high levels of staff and stakeholder satisfaction in Nedlac and an increase in the number of bills passed in Parliament, after consideration at Nedlac.

We also recognise the considerable progress made, through the Governance Task Team, on deliberations on Nedlac's role, positioning, mandate, and impact, given that we are celebrating its 30th year. We believe more work needs to be done to consider whether Nedlac is fit for purpose in the current environment and the challenges that lie ahead. The world of work has changed significantly in the last 30 years, but particularly in the last decade or so.

The current economic trajectory, which will gain momentum every year, is that of an economy that is characterised by artificial intelligence, digitalisation, hybrid ways of working and diverse ways of work. Some of the critical elements of this evolving economic environment are:

- Investment in infrastructure
- Developing and maintaining robust infrastructure
- Demand-led human capital development, including
 - Education and Schools
 - Healthcare and Public Health Initiatives
 - Job Training and Vocational Programs
 - Entrepreneurship Support
 - Adult Education and Lifelong Learning
- Technological progress and innovation
- Access to financial resources
- Sound governance and institutions
- International trade and globalization
- Access to markets and entrepreneurship
- Natural resources and sustainable development

It is imperative that Nedlac leads dialogue on these, and other matters, critical to economic growth and job creation, if it is to remain relevant.

We need to ensure that this social dialogue platform keeps remaining relevant and respected. Nedlac is respected in many countries as a successful platform for social dialogue, but we must dialogue on relevant issues that are germane to the current and evolving economic and social challenges, while being informed by our 30-year history. Nedlac was established as a critical platform, on which social partners enter dialogue to find each other on important matters related to the socioeconomy. We can, 30 years on, reflect on milestones that this democracy has produced. We can safely say that the Department of Employment and Labour and its inter-coordinating departments have fostered change with groundbreaking reforms negotiated at Nedlac. These include negotiations on National Minimum Wage, which changed the landscape of labour relations in this country and demonstrated the collective effort of the social partners. Nedlac has shifted the dial and created a participatory paradigm with a revolutionary act empowering it.

In giving effect to the Nedlac Act by ensuring effective public participation in the labour market and socio-economic policy and legislation, we need to constantly strive to ensure that Nedlac is dynamic, relevant, and effective. While we have seen improvement, this is an ideal that social partners, as part of the Nedlac leadership, must hold on to. We must assume the mantle and keep ourselves accountable and honest in the pursuit of social justice, and economic growth in an inclusive and transformative economy. We would all agree that the economy we need to grow on the back of increasing and sustained investments, is one in which we will deliberately make interventions to ensure that economic growth is to the benefit of all of our people and that the majority of our people have a stake in such economy. There is much work to be done.

We must, as the Business constituency, record the critical matters that need to be addressed at Nedlac in the coming period:

1. Acknowledge crises and act immediately. We, with social partners, have consistently raised concerns about the chaotic situation with the Unemployment Insurance Fund, including poor administration, weak governance and corruption. This falls squarely with the Department of Employment and Labour, and we expect substantive progress towards resolving this. We include other funds, like the Compensation Fund, in this.
2. The 15 years of engagement between social partners on the wider social protection reforms, within the Comprehensive Social Security team, must now bear fruit and we need to accelerate resolution in this area.
3. The work done in the Labour Law Reform Team must also begin to bear fruit. We look forward to government ensuring effective implementation and oversight. As with many other reforms that Nedlac has discussed, improved labour inspection & co-regulation / self-regulatory models are paramount to the effective functioning of Business.
4. We need to create enabling conditions for businesses to grow and do away with onerous red tape and over bureaucratic processes with restrictive conditions which deter hiring and ease of doing business. Discussions on this have been held at Nedlac for years. We now look forward to government implementing the outcomes of the discussions.

5. The world of work has changed and continues to change, so the global conversation dictates that we recognise diverse forms of employment or provision of work and consider flexibility in social protection models. An essential element of this is to ensure the skills architecture is interrogated to ensure that it is responsive to current labour market needs,
6. We need to grow the economy – and rethink the economic growth strategy: South Africa must aspire to become a high-income economy. Achieving this necessitates a rethink of the macroeconomic growth policy and strategy, along with a more concerted focus on strengthening the capacity of the State to implement economic growth policy. We must continue with the focus on economic recovery and structural reforms to unlock potential growth, resolve immediate constraints to growth and review institutional mandates that hamper growth and employment. Nedlac is integral to this and while we are convened to speak on these matters, we must commit to address these issues in a systematic inclusive manner.
7. We need to reconfigure government to enhance delivery and accelerate implementation of the single public service policy and integrated delivery across government. As we have reiterated in bilateral meetings with the Ministers of the new administration, Business requires harmonisation within departments, both within and outside of the Nedlac social dialogue space. For Business to operate optimally, the environment must be sustainable and important stakeholders must commit to move in tandem, with urgency, in areas we agree, and manage differences in a constructive way.
8. As we accelerate infrastructure development, we need to implement the NIP 2050 commitments to strengthening leadership, accountability, technical capability, and relevant institutional and market reforms. As we attempt to enhance social collaboration, we need inclusive planning and implementation, engaging a wide range of stakeholders to ensure inclusive and equitable development and foster regular dialogue and feedback mechanisms to adopt strategies based on stakeholder input.

We must, as we hand over the Nedlac 30-year Report, continue to ask some critical questions:

- How do we crystallise Nedlac's fit for purpose role in the evolving socioeconomic environment?
- Is Nedlac most effective in enabling social dialogue to try and bring social partners closer together on broad strategy and direction, or should it try to reach consensus on the detail?
- Should Nedlac look at different options for social compacts? These could include bilateral and multilateral compacts, local issues-based compacts, and others.
- Should Nedlac be an implementing body, or enable implementation of broad agreements through government and bilateral processes?
- Is Nedlac representative enough?

Business remains committed to Nedlac, but we are convinced that social partners in Nedlac must engage on the critical questions we raise above. We believe these are critical for Nedlac's ongoing relevance and effectiveness! Most importantly, if we all agree on Nedlac's critical role in the socio-economic space, it is equally important that government and social partners equally respect their commitments, especially the requirement to table in Nedlac for engagement all draft legislation with socio-economic implications. If we do all these things, Nedlac will continue to be a shining example of effective social dialogue in the next 30 years.

Thank you!