

# THE 29TH NEDLAC ANNUAL SUMMIT



National Economic  
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Nedlac celebrating 30 years of  
social dialogue and planning for  
the future

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# Contents

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- Performance of Nedlac 2023/24
- Current context and challenges
- How could Nedlac and its social partners go forward?





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# Nedlac Performance 2023/24



# The year in a snap shot

## Characterisation

- The year was characterised **by continuity**
  - Information sharing and dialogues on key socio-economic issues
  - Consideration of policies and bills
  - Government budget planning
- And **change**
  - Preparing for the transition to the seventh administration
  - Celebration and reflection of 30 years of democracy
  - Rushing of legislation to be tabled before the end of the sixth administration

## Performance and audit achievements

- 92% of our KPI targets met (one not met)
- Stakeholder survey
  - 78% of stakeholders satisfied
  - 84% of staff
- Clean Audit
- Significantly more bills considered at Nedlac passed by Parliament



# Key policies and bill considered

## Policies

- Electricity Pricing Policy (DMRE)
- Master Skills Plan and Human Resources Development Strategy of South Africa (Dhet)
- Admission Policy for Ordinary Public Schools (DBE)
- Amendments to Regulations Relating to Minimum Uniform Norms and Standards for Public School Infrastructure (DBE)
- National Labour Migration Policy (DeL)

## Bills

- Mine Health and Safety Amendment Bill (DMRE)
- Employment Services Amendment Bill (DeL)
- Victims Support Services Bill (DSD)
- National Water Resource Infrastructure Agency Bill (DWS)
- Radioactive Waste Management Fund Bill (DMRE)



# Key dialogues and issues of ongoing engagement:

## Economics



### Ongoing engagement

- Government Budget
- international trade-related matters including WTO, AfCTA and AGOA
- Energy and electricity
- Freight and public transport

### Dialogues

- Progress on addressing unclaimed assets
- National State Enterprise Bill
- Electric vehicles
- Socio-Economic Impact on the increase of the Health Promotion Levy
- SMME & co-ops Funding Policy and Regulatory impediments affecting SMMEs in South Africa
- Impact of Employment Tax Incentive
- Integrated Resource Plan 2023
- Indlulamithi Scenarios



# Key dialogues and issues of ongoing engagement:

## Labour and Development

### Ongoing engagement

- Water shortages and quality
- Close out of UI Ters and Wabu
- UI modernisation
- High cost of living – especially food and fuel

### Dialogues

- Disaster management
- Reducing red tape in the distribution of food and food donations
- Presidential Employment Stimulus
- Productivity Ecosystems for Decent Work (ILO Decent Work Country Programme)
- Acceleration Plan to Achieve the National Development Plan Targets By 2030
- Integrated Rural Development Sector Strategy
- National Census Results- 2022
- National Labour Migration Policy Workshop



# Presidential Climate Commission

## Policy and scientific recommendations

- Recommendations on Electricity Planning for South Africa
- Review of the Just Energy Transition Investment Plan
- State of Climate Action in SA
- Komati Power Station policy recommendations
- SA Climate Finance Landscape 2023 report

## Stakeholder consultation

- Stakeholder and community engagements on energy and just transition
- Komati engagements & site visit
- National survey of public opinions on climate transition





# Other key areas of work

| Labour law reform                                                                                                                                                                                                                            | Nedlac fit for purpose                                                                                                                                                                                                                | Covid-19 legacy                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Ongoing negotiations on amendments to improve effectiveness and protection offered by LRA, BCEA, EEA &amp; MWA</li><li>• Supported by facilitators, legal drafters &amp; technical support</li></ul> | <ul style="list-style-type: none"><li>• Revised Constitution to improve functioning of Nedlac</li><li>• New Nedlac Bill to be processed by seventh administration to improve political accountability and representativity.</li></ul> | <ul style="list-style-type: none"><li>• NIOH, Nedlac and Compensation Fund workplace training and awareness programme on Covid-19 and related matters concluded</li></ul> |





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# Current Context

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# Introduction

**We are meeting at a  
time when there are  
challenges and  
opportunities**

The following slides recap  
the current challenges to  
be able to contextualise the  
opportunity for social  
partners and Nedlac



**Uncharted  
waters**

**Cautious  
optimism**

**Renewed  
business  
confidence**

**New energy  
to govt**

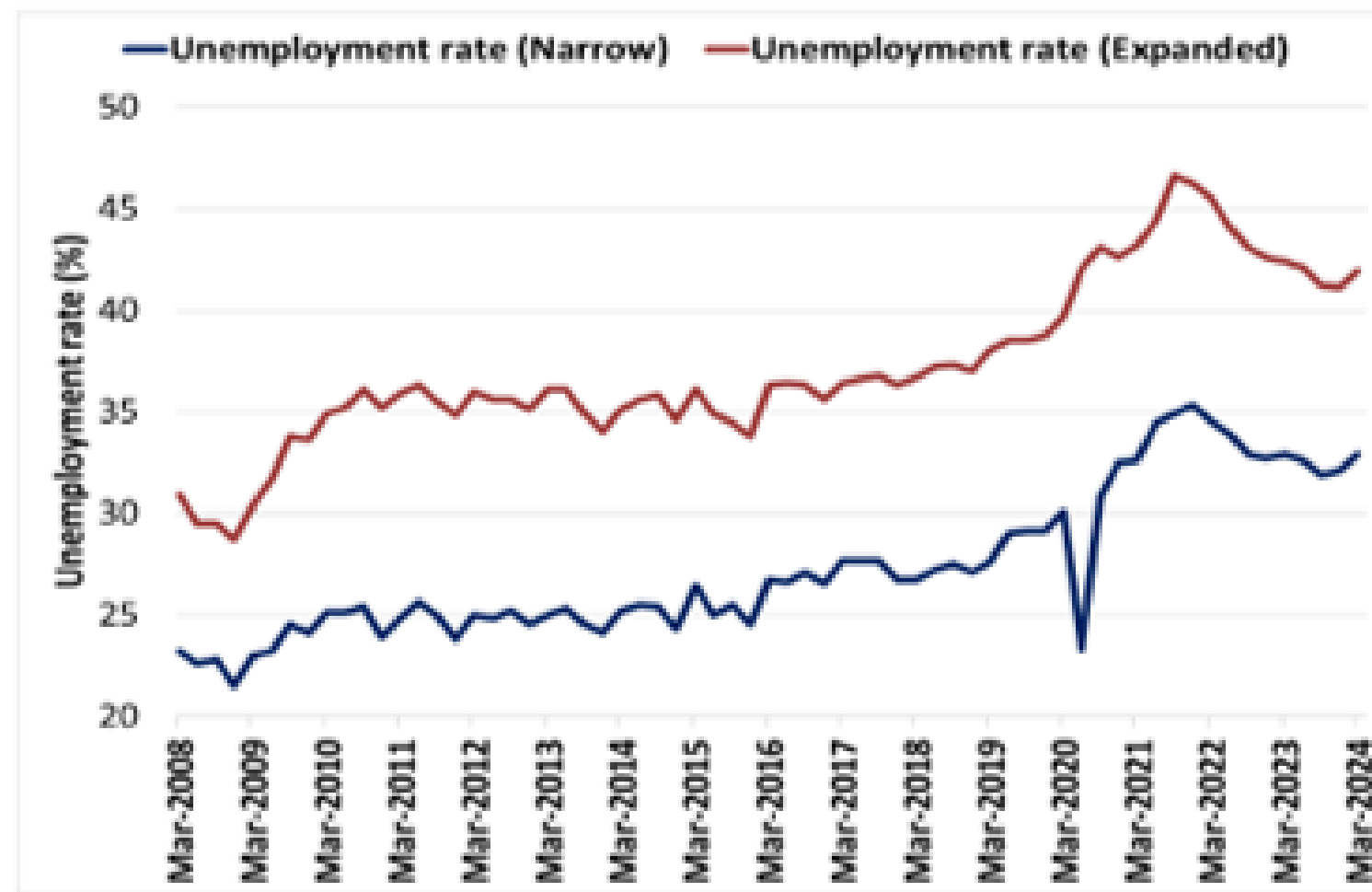
**Bad political  
choice**



# We are faced with...

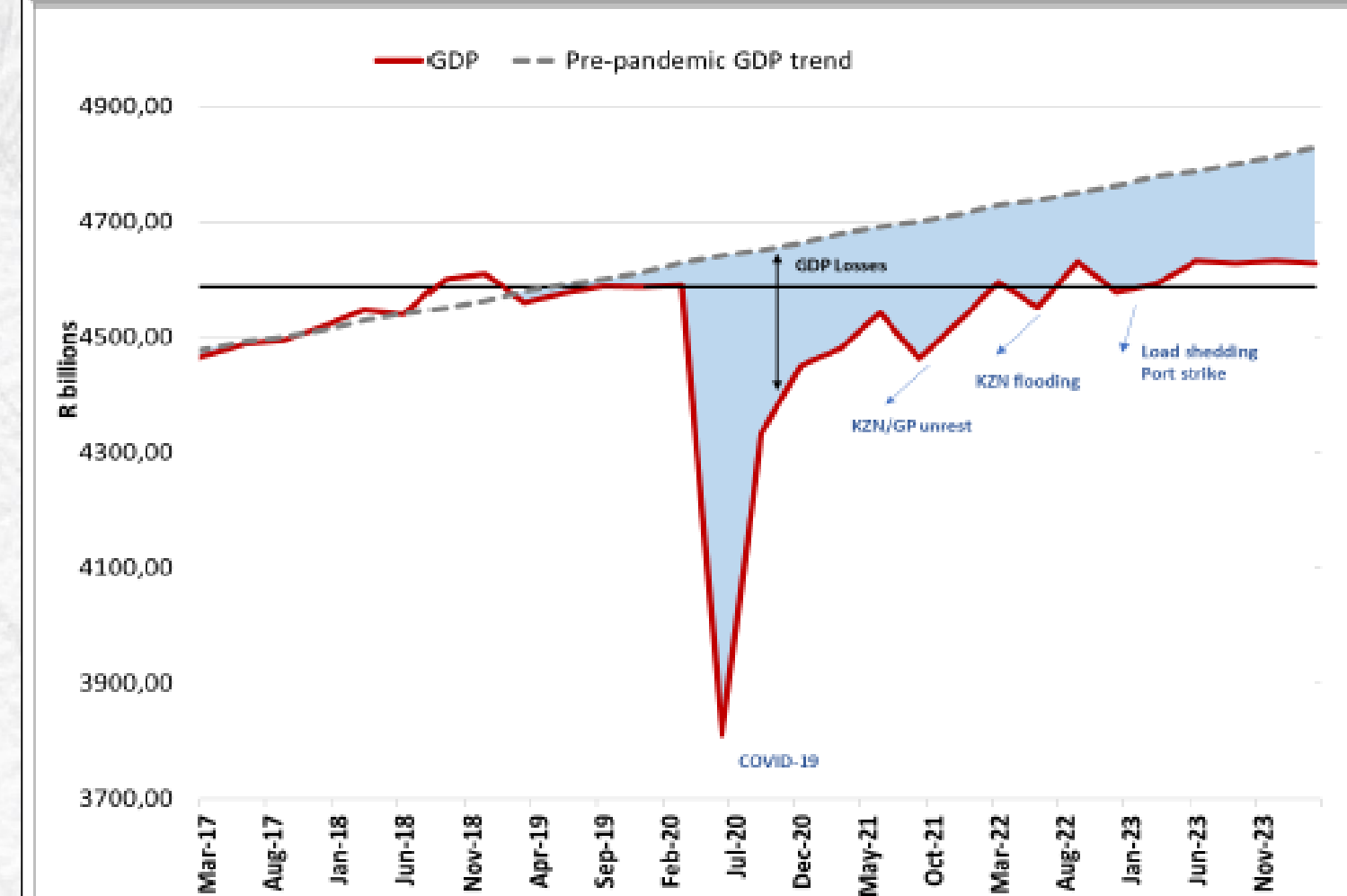
## Systemic and structural unemployment

Figure 2: Unemployment rate (%)



## Domestic and global shocks

GDP in level terms



Source: StatsSA, National Treasury

Note: Pre-pandemic trend is calculated from 2010 – 2019

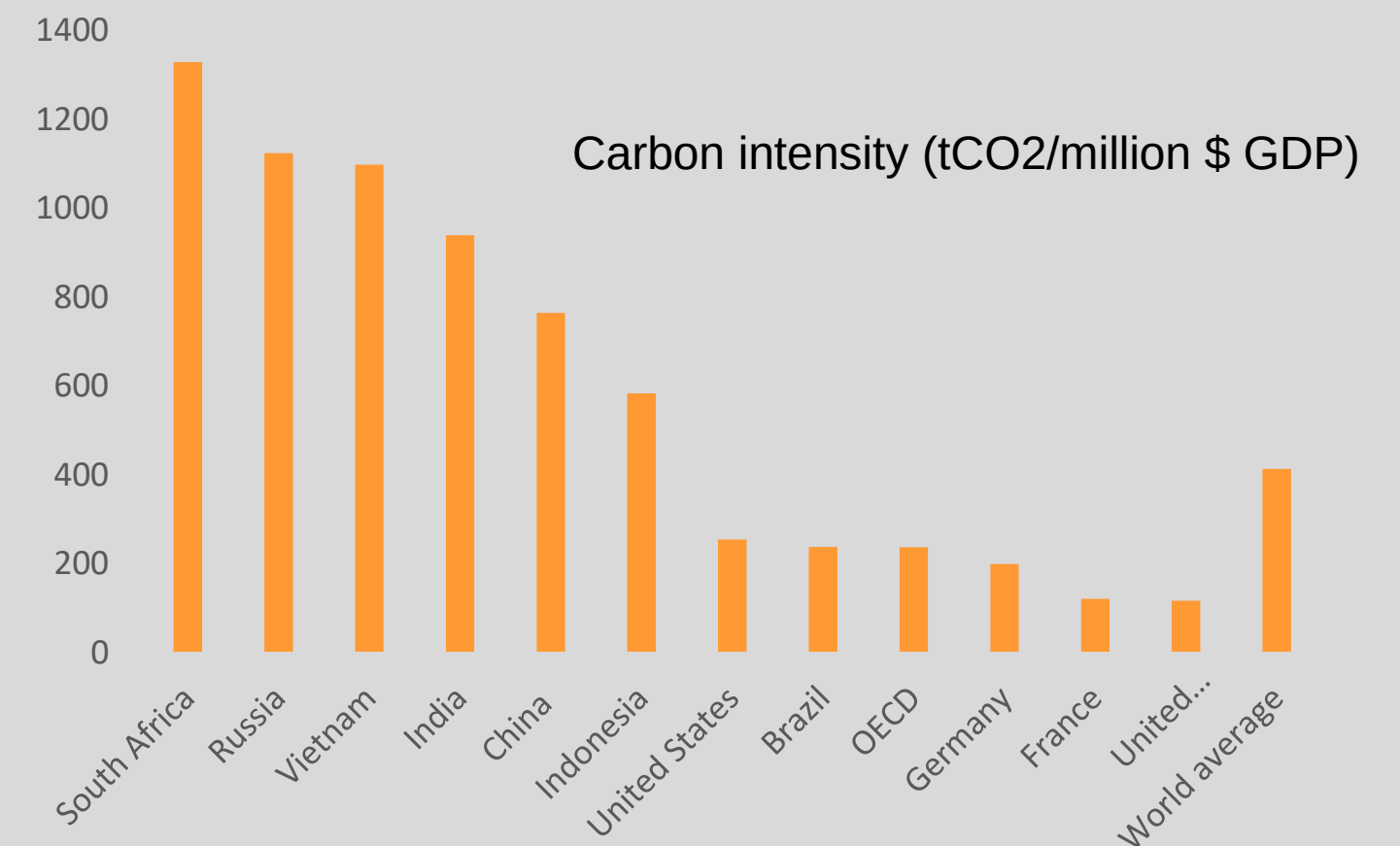


# Significant threat of climate change



Rapidly accelerating global temperatures and extreme weather events impact on water and food security and livelihoods

Our carbon-intensive economy exposes us to adverse economic shocks from carbon border adjustment mechanisms (CBAM) and changing consumer sentiments – impacting trade and competitiveness





# And we live in an uncertain world

The geopolitical situation including in the Middle East and Eastern Europe, has led to political tensions, economic strains, and global supply chain disruptions

Digitalisation and AI bring additional risks, such as job displacement and fake news





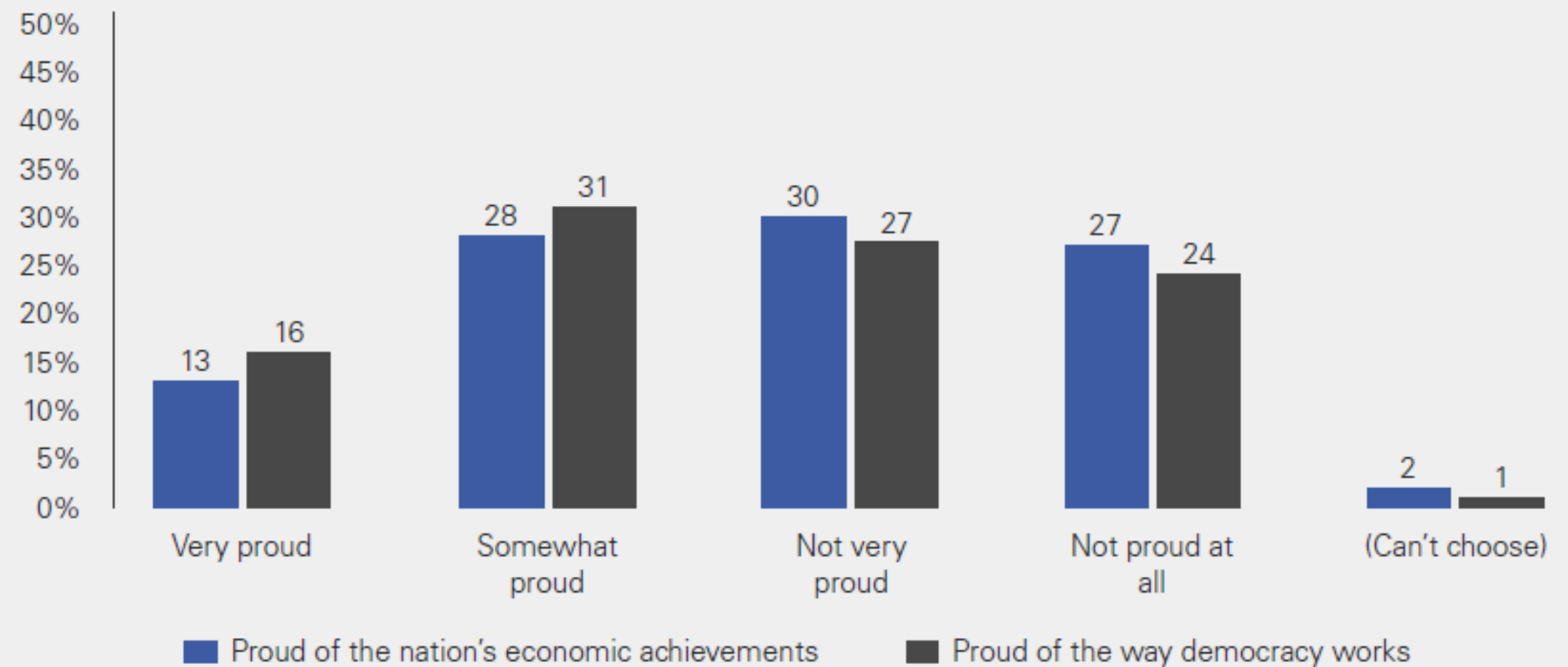
# As a result, government and the economy struggle to deliver to the people

51% of South Africans are not proud of the way democracy works

57% are not proud of the nation's economic achievements

Figure 2: Public level of pride in South African economic and democratic functioning, 2023

*How proud are you of South Africa in each of the following?*



Source: South African Social Attitudes Survey (SASAS), 2023

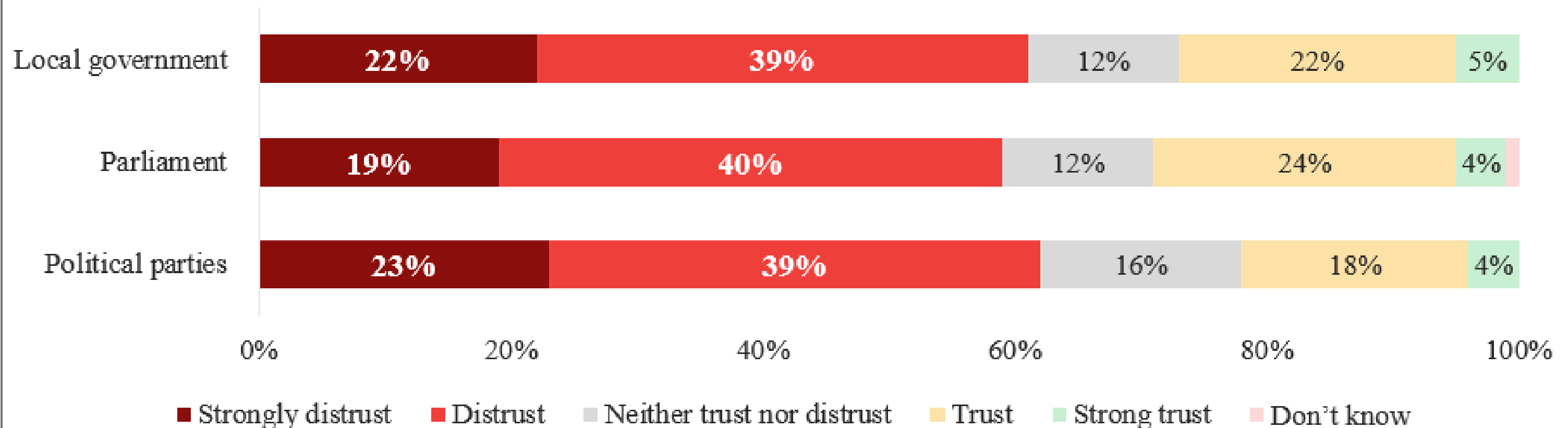


# Public trust in political institutions is low

## Measuring attitudes to corruption - 2024 HSRC

### HSRC report shows most people do not trust political institutions

*Do you trust or distrust political institutions?*



Source: HSRC Research Report, June 2024, Tracking Social Norms and Behaviour Change in South Africa: Measuring attitudes to corruption.

Recent HSRC report suggests a significant level of **public distrust in political institutions** – just about **2 out of every 3 South Africans do not trust the country's political institutions**

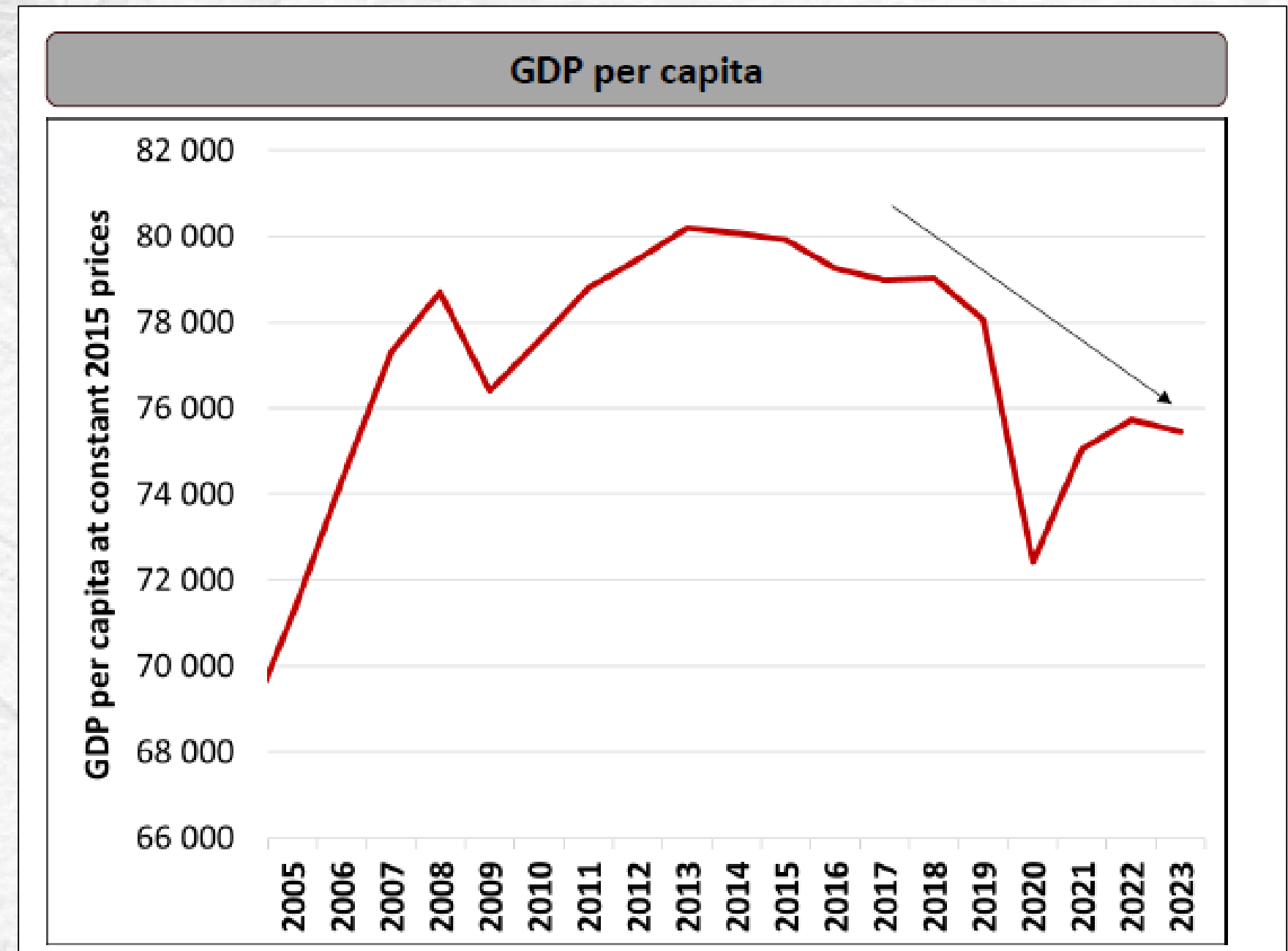


# Our challenge

At the heart of rebuilding public trust in government and thus social stability is the imperative to:

- **deliver services**
- enable a **growing economy** that will create employment and opportunities and reduce inequality and poverty and
- **cushion those who are vulnerable** (due to our past legacy and future threats)

And we have to do so with **reduced fiscal** resources.



Falling per capita income since 2015 puts a strain on the fiscal envelope ( National Treasury)



# There is a narrow window of opportunity involving difficult decisions about revenue sources, spending and partnerships



## The window

- Political and business confidence has strengthened on the back of hope for the success of the GNU
- Momentum to end energy, freight, and other related crises has increased
- Stronger institutions, greater support for institutional reform
- Turning points have been reached with key SOEs

## The opportunity

- **Nurturing** the GNU in a fragile environment is the best and only option for the present
- **Being one step ahead:** From ending load shedding to sustainable energy security
- **Plan for future risks** before they eventualise in the current
- **Consolidate social partnerships** to grow trust, and legitimacy and ensure speedier service delivery



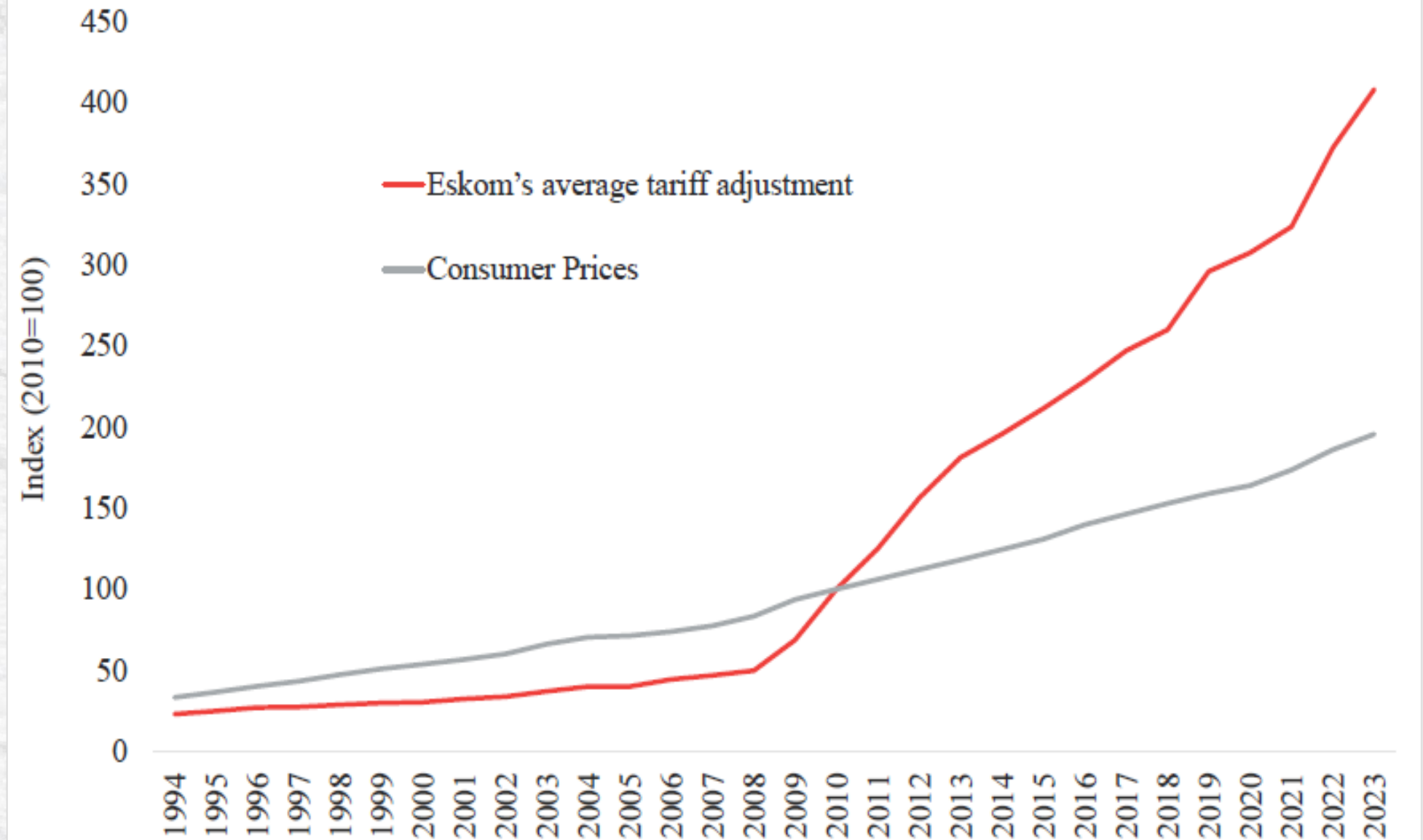
# For example...being one step ahead in the energy space

While we have made significant achievements to end load shedding, we still face issues of:

- Affordability
- Distribution
- Transmission
- Emissions
- Transitions

To be a step ahead of the next crisis, a great deal of consensus towards more holistic and sustainable solutions is required

Electricity tariffs vs Consumer prices in South Africa



Source: Eskom Tariff books, Stats SA, EconData.



This is putting it a more straightforward way...



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# The opportunity of social partnership

**There is a significant consensus on the key issues impeding South Africa**

- Structural reforms
- Infrastructure development
- Social wage and social security
- Skills development
- State capacity, especially at the local government level

Even with differences on

- National Health Insurance
- Debt service costs

**There is a rich history of social partnership**

**Nedlac has stayed the course for 30 years**

- Growth & Development Summits
- Job Summits
- National Minimum Wage
- Response to Covid-19

**And birthed many other social partner institutions and initiatives**

- Sectoral master plans and compacts
- Presidential Climate Commission
- B4SA bilateral partnership.

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# The future for social partnerships



# The views of social partners

As we journey through the 21<sup>st</sup> century, Nedlac's role becomes increasingly vital in fostering sustainable economic growth, ensuring equitable labour practices, and promoting social justice

Minister Nkosazana Meth



As the country enters a new phase of our maturing democracy where co-operation between various players will become even more vital, Nedlac should continue to play a pivotal role in nation building

Kaizer Moyane



Nedlac must take an interest in entrenching democracy through social dialogue and civic education

Thulani Tshefuta



As we anticipate implementing the programme of the new administration there is a consensus among social partners that we must double our resolve to address the stubborn challenges of unemployment, poverty and inequality

Thembinkosi Mkalipi



We are in uncharted waters with the GNU following the election results. This will mean a shift in how we do things at Nedlac

Gerald Thwala





# What is the future opportunity for social partnership?



This year, the Nedlac social partners embarked upon a project to consider the achievements and lessons of 30 years of democracy and propose plans for the future.

We are handing over the report today to the seventh administration.

The process allowed social partners to reflect on Nedlac's achievements and social partnership, and the report proposes 12 areas of future collaboration.

Social partners and Nedlac can **move to a new level of partnership, becoming proactive** rather than re-active to crises and government tabling of policies and bills.

By doing this, we will be building on the responses of the last five years.

“We do achieve much when the government and private sector work together in a productive way that draws on the strengths of each party”

Busi Mavuso –  
BLSA CEO



# Social partnership priority areas

## **A: Partnerships for inclusive growth**

- Bilateral and multilateral extended partnerships on energy, water, freight, public transport and ICT
- Sectoral master plans with a focus on renewable energy, auto, iron & steel sectors

## **B: Employment creation and public employment schemes**

- Supporting, agglomerating and accelerating public employment initiatives
- Better value from Employment Tax Incentive

## **C: Addressing hunger and poverty**

- Revival of comprehensive social security strategy
- Sharpen public and private social security delivery vehicles
- Targeted interventions to improve food security amongst children

## **D Supporting labour market transitions**

- Reformed and modernised UIF system
- Reformed workplace skills system

## **E. Responsive and capitated government**

- Policy, legislative and institutional reform of local government
- Active and productive partnership between public service leadership, management and workers
- Multi-stakeholder disaster management response

**12 areas**



# There is a strong alignment with the areas proposed by social partners and the government's strategic priorities



| Government Strategic Priorities                                                                                                                                                                           | Social Partnership Priority Areas                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rapid inclusive and sustainable economic growth</b> and job creation                                                                                                                                   | <b>Partnership for inclusive growth</b> focusing on enabling structural reform and targeted sector master plans<br>Employment creation and public employment schemes                                                                                                       |
| <b>Maintain and optimise the social wage</b> which creates a safety net for the vulnerable, ensures we have a skilled and healthy workforce, enabling infrastructure and basic services                   | <b>Addressing hunger and poverty</b> through comprehensive social security, tightening up delivery mechanisms and targeted measures to address malnutrition<br><b>Supporting labour market transitions</b> through reform of UI and skills systems                         |
| <b>A capable developmental and ethical state</b> which plays a key role in the economy through regulation, network industries and creating an enabling environment and that law and order are maintained. | <b>Responsive and capacitated government</b> through:<br>Policy, legislative and institutional reform of local government<br>Active and productive partnership between public service leadership, management and workers<br>Multi-stakeholder disaster management response |



# Continuity and change for Nedlac

## Continuity

- Continue to provide an inclusive platform for dialogue and the sharing of best practices and emerging policies
- Facilitate and complement **bilateral and sectoral social dialogue** initiatives and collaborations
- **Labour law reform** as an ongoing process
- **Engagement** on socio-economic policies and bills

## Change

- **Collaborate pro-actively** with public milestones on identified social partnership priority areas
- Stronger synergies on **climate change issues** between of PCC and Nedlac.
- Establish stronger mechanisms to **monitor and evaluate** implementation of laws and policies
- Consider **developing, codifying and extending partnerships** with DPME, at provincial & sectoral levels



# Conclusion

- South Africa continues to face poly crises with fiscal constraints and the impact of climate change, both physically and economically, being the most prominent
- The GNU provides for a narrow path of change, balancing reform for inclusive growth with cushioning workers, businesses and communities
- Lessons from 30 years of democracy, show us that where social partners share similar concerns on critical areas, there is a solid basis for partnerships

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