

30 JANUARY 2018

Leadership of COSATU, FEDUSA and NACTU,
Leadership of the business, government and community
constituencies,
Cabinet colleagues,
Executive Director of NEDLAC, Mr Madoda Vilakazi,
Distinguished Guests,
Ladies and Gentlemen,

Thank you for inviting me to participate in this NEDLAC labour school, which has become a crucial site of engagement on the issues that directly face the workers of this country – and broader society.

It is fitting that this year, you should focus on labour's role in promoting our national interest and the welfare of workers by strengthening good governance and deepening accountability.

Your theme resonates with the ANC's January 8th Statement, where the governing party said it would work to build "strong partnerships in which efficient and accountable government agencies, responsible citizens and businesses, effective trade unions and civil society work together for the common good."

The January 8th Statement also noted that we can only succeed in reigniting economic growth and creating employment if we forge a strong social compact between government, labour, business and communities.

It is only through building partnerships that we can make the South African economy work for all its people.

As we concluded in the diagnostic report of the National Planning

Commission, and as we know from daily experience, South Africa remains a highly unequal society where too many people live in poverty and too few have access to economic opportunities.

Our priority must therefore be the creation of decent work on a scale that makes a decisive impact on poverty and inequality.

That requires far higher levels of economic growth and sustained investment by both the public and private sectors in productive economic activity.

As we found in Davos last week, many investors are prepared to work with us and our people to build our country.

They have expressed a renewed confidence in South Africa and are looking to invest in our country and contribute to employment creation.

Fundamentally, we must use 2018 to restore the confidence of South Africans in a shared vision for radical social and economic transformation.

We must convince those who have not yet understood that we cannot grow and sustain an economy that excludes black people, the majority of whom are African and female.

Radical social and economic transformation is about creating a South Africa where all its citizens, black and white, share equitably in the country's economy.

It is about implementing programmes that deracialise ownership and control of our economy to benefit South Africans as a whole.

This means we must change the ownership structure of our economy.

Work is underway to expand the mandate of the competition

authorities to promote competition and eliminate monopoly control.

Through this work, and by using more effectively government procurement and licensing, we must build an army of emerging black businesses.

Not only does this begin to address the economic legacy of apartheid, but it creates a more dynamic economy that benefits from the energy and skills of the broader population.

This requires also that we expand access to capital, by increasing and diversifying the forms of financial support available to black businesses.

This includes the work being done through the black industrialists programme and the R1.5 billion small business fund established through the CEO Initiative.

We will continue to pursue policies that support the inclusion of black people, black women and young people in the ownership of financial institutions.

This needs to take place alongside the broadening of black economic empowerment policies to promote greater worker ownership and board representation.

We need to develop sustainable models of empowerment in which workers can have a financial stake and a meaningful voice in companies.

Working together, we need to do more to improve the plight of young people in our country.

Young South Africans are disproportionately affected by poverty and unemployment.

Many of them lack the requisite skills to meet the demands of a

modern and diversified economy.

Many of those that have an education and skills continue to face marginalisation in the economy since many employers prefer experienced workers.

We need to agree on a social compact that will absorb many of our young people in skills training programmes, internships and employment opportunities.

This year will see the implementation of the Youth Employment Service, which has the potential to revolutionise the absorption of young people into the labour market.

The result of collaboration between social partners, this initiative aims to place a million unemployed youth in paid internships over the next three years.

We believe that the implementation of free higher education for the children of the poor and working class will also do much to accelerate the inclusion of the majority of poor black young South Africans in the economy.

The agreement by social partners on the implementation of a national minimum wage will help reduce income inequality and contribute to a more cohesive society.

It will immediately change the lives of millions of low paid workers and is a significant step towards achieving a living wage for all South African workers.

As the theme for this year's school correctly emphasises, our efforts to achieve inclusive growth will be meaningless unless we ensure clean governance and accountability.

It is workers and their children who suffer most when state owned enterprises are captured for the enrichment of a few well-connected

individuals.

It is workers and their children who suffer most when their savings are misappropriated by corrupt corporate executives.

It is our people as a whole who ultimately pay higher prices for food, transport and basic goods, who are faced with deteriorating public services, and whose prospects are diminished by an economy that does not grow.

It is therefore in the interests of workers to mobilise on the factory floor against poor governance, unaccountability and impunity.

We need to work together to rebuild our institutions and regain the trust of the people on whose behalf we serve.

The ANC emerged from its elective conference in December with a clear mandate to act decisively against corruption and state capture.

We remain resolute that no act of corruption will go unpunished, regardless of the identity of the perpetrator.

A capable and efficient developmental state envisaged in our Constitution and the National Development Plan cannot take root in a sea of patronage, greed and wilful economic sabotage.

We therefore applaud the NEDLAC labour constituency for taking as its task the role of building a dynamic, capable state that is ethical, accountable and effective.

The prevailing challenges of poverty, unemployment and inequality cannot be effectively addressed if we do not rid our nation of the cancer of corporate greed and corruption.

Nor can they be addressed if we do not work together on an urgent programme of economic recovery, growth and transformation.

At the core of this programme must be the creation of decent jobs.

In forging a social compact, it is essential that each social partner makes a firm commitment on the contribution they are able to make.

As government, we will work to ensure policy consistency and certainty, promote macroeconomic stability and fiscal prudence.

We are determined to address financial, operational and governance weaknesses at state owned enterprises and ensure better use of public resources in areas like infrastructure, education and health.

We call on business to commit to significantly increase investment in the productive economy, promote job creation and youth internships.

Business needs to pursue efforts to reduce wage inequality including through compliance with the national minimum wage, pursue employment equity, and transform supply chains to support emerging black businesses.

Business must ensure greater worker involvement in decision making and root out corruption, collusion and other anti-competitive behaviour in the private sector.

We call on organised labour to commit to promoting industrial partnership, and labour market stability.

We trust that unions will continue to pursue more effective conflict resolution, strengthen collective bargaining and work with employers to improve productivity.

We look to workers to confront corruption and waste wherever it manifests.

This NEDLAC labour school has correctly identified the most pressing challenges of this moment in our history.

Our task is to work with all our social partners to confront these challenges and – in the interests of all our people – to overcome them.

I am confident that we will succeed.

I thank you.