

# **DECLARATION ON WAGE INEQUALITY AND LABOUR MARKET STABILITY**

We, the social partners, representing organised business, organised labour, government and the community sector of South Africa,

## **1. Recalling:**

1.1. The call made by President Jacob Zuma in his State of the Nation Address on 17 June 2014 for social partners to deliberate on the state of the labour relations environment, and in particular to address low wages, wage inequality and violent and protracted strikes.

1.2. The resolutions of the Ekurhuleni Declaration adopted by constituencies at the Labour Relations Indaba of 4 November 2014.

## **2. Recognising that:**

2.1. Extreme levels of wage inequality in South Africa contribute in significant measure to the persistence of widespread poverty and serve to constrain economic growth and social development.

2.2. In the context of high unemployment – in which a third of working age South Africans cannot find work – those that are employed in the lowest paying jobs support the most number of unemployed people.

- 2.3. The most immediate national priorities are the creation of jobs on a massive scale, a reduction in inequality and the alleviation of poverty.
  - 2.4. Accelerated economic growth, higher rates of investment, improved productivity and faster job creation require a stable labour market environment, in which the rights and responsibilities of all stakeholders are respected and promoted.
  - 2.5. The right to strike is a Constitutional right and a legitimate exercise of power to pursue demands.
  - 2.6. Prolonged and violent strike action has the potential to cause serious harm, not only to the strikers and their employers, but also to others outside the workplace.
  - 2.7. Collective bargaining needs to be promoted as an instrument through which the needs and interests of both employers and employees can be effectively mediated.
3. Have reached agreement on the following:
- 3.1. Modalities for the introduction of a **national minimum wage** of R20 an hour, to be implemented and enforced from no later than 1 May 2018, which will significantly improve the lives of the lowest paid workers and which begins to address the challenge of wage inequality, with provisions that enable small and large businesses to apply for exemption on the basis of affordability.

3.2. **A Code of Good Practice on Collective Bargaining, Industrial Action and Picketing** that provides practical guidance on collective bargaining, the resolution of disputes of mutual interest, the resort to peaceful industrial action and picketing processes.

3.3. An **Accord on Collective Bargaining and Industrial Action** in which all social partners commit to take all steps necessary to prevent violence, intimidation and damage to property and improve the capacity of the social partners and other agencies to resolve disputes peacefully and expeditiously.

3.4. **Amendments to the Labour Relations Act** that include provisions on:

3.4.1. Enabling Bargaining Councils to extend funding agreements for pension and health care funding for up to a year where agreements have not been timeously extended.

3.4.2. Amendment of picketing provisions to provide for default picketing rules in the event that parties have not reached agreement thereon.

3.4.3. Secret balloting prior to a strike as part of trade union and employer organisation constitutions.

3.4.4. The independence and impartiality of the Registrar of Labour Relations.

3.4.5. Advisory arbitration in the event of prolonged and dysfunctional industrial action; violence, damage to property or a threat to

constitutional rights; or an acute local or national state of crisis as a result of industrial action.

- 3.5. To continue to work together through the Committee of Principals to oversee the process for the implementation of these agreements.
- 3.6. To monitor and regularly evaluate whether the agreements reached are effective in promoting the principles and objectives contained herein.