

## **26<sup>th</sup> Annual Nedlac Summit**

**‘Recovering and Building Together’**

**Virtual, 07.12.2021**

**Key note address:**

**TW Nxesi MP, Minister of Employment and Labour**

**Protocol:**

- Programme Director
- The Executive Director of Nedlac and representatives of the social partners representing Labour, Business and Communities
- Invited speakers:
  - Prof Koleka Milisana
  - Mr Valli Moosa
  - Mr Mzwanele Ntshwanti
- Members of the media
- Ladies and gentlemen

Welcome all. This has been a difficult year – indeed, almost two years since the commencement of the pandemic and the lockdowns to curb the spread of the disease, as well as the economic pain that came in their wake.

In the first year of the pandemic GDP (Gross Domestic Product) fell by over 7% and we lost well over one million jobs. And the pain continues – reflected in the most recent StatsSA unemployment figures – rising to 34.9%.

Even as we meet today, it is in the shadow of the beginnings of the Fourth Wave – with early signs that the new Omicron variant is more infectious than the Delta variant – although the indications are that symptoms are milder – with hopefully a lower rate of hospitalisations and deaths.

The pandemic placed a heavy responsibility, not only upon government, but also on the social partners and

Nedlac. I believe that in such periods of economic, social and political crisis that the need for social dialogue and strong institutions such as Nedlac becomes very apparent.

And Nedlac rose to the occasion – facilitating an all-of-society response from the social partners in a number of areas:

- Occupational health and safety regulations to safeguard the workplace from Covid-19. The evidence from the Compensation Fund is that the rate of infections in the workplace was much lower than in the community.
- More recently – the social partners have taken up the issue of workplace initiatives to vaccinate employees, whilst also taking forward the debate on mandatory vaccination. Indeed, Cabinet referred this matter to Nedlac for input from the social partners. The point must be made that the issue of health and

vaccinations goes far beyond the workplace, affecting all communities.

- Nedlac social partners also engaged around income support for laid-off workers in the form of Covid19 Ters benefits. The UIF distributed over R60 billion – supporting distressed employers and reaching millions of laid-off workers, their families, and injecting cash into local economies across the country.
- Nedlac also facilitated input from the social partners into the President’s Economic Reconstruction and Recovery Plan (ERRP).

These areas remain priorities in particular:

- The finalisation of discussions around mandatory vaccination. I believe that Nedlac has provided clear advice in this regard. I quote: “*The Nedlac social partners represented in the Nedlac Rapid Response Task Team believe that the promotion of vaccines*

*remains the most significant intervention to prevent further spread of Covid19 and lockdowns. To intensify the vaccination programme and in response to the President's call, they have had extensive and urgent discussion over the last week and made proposals to the government through the NatJoints that:*

- The Health and Safety Direction of the Department of Employment of Labour should be strengthened so that vaccination can become mandatory where a risk assessment at the workplace requires this.*
- That access to certain venues, gatherings and events particularly in the hospitality sector should be restricted to vaccinated people only.*
- Regulations on maximum capacity of gatherings/venues/events should be simplified, provision of ventilation added and enforcement strengthened so that social distancing can be adhered to.*

*While, the social partners believe that vaccine mandates will pass constitutional scrutiny, they*

*support the work of BUSA to get a declarator from the Constitutional Court in the New Year.*

*They understand that their proposals will be brought to the attention of the NCCC and other relevant government structures so that decisions can be made speedily to improve the vaccination rate and mitigate the negative impact of a fourth wave.” End quote.*

- As the President pointed out in his Newsletter yesterday, vaccination and combating Covid is inextricably bound up with economic recovery. A further continuing priority, therefore, is the need to speed up implementation of the ERRP anchored on the following:
  - public infrastructure development;
  - Ensuring energy security;
  - Industrialization/localisation;
  - Mass Public Employment programmes;
  - Macro-economic interventions and enablers of growth;
  - Green economy interventions; Agriculture and food security; and

- Reviving the tourism sector – recognising the huge set-back as a result of what has been called the ‘apartheid travel bans’.

The social partners in NEDLAC also agreed a Social Pact to drive a localisation plan of R200 billion over five years. This also led to the identification of 42 products areas across: agro-processing; health-care; basic consumer goods; capital goods; construction-driven value-chains; and transport rolling stock as focus points for SA’s localization efforts. CEO champions (Chief Executive Officers) from the private sector will drive implementation of the plan – supported by government-led industry master plans across key sectors.

Cooperation between private and public sector is important to achieve these goals, whilst Government continues to work hard in developing industrial financing and incentives, and supportive regulatory systems informed by inputs from social partners.

For a maximum impact, there is a need for social partners to promote local procurement of SA manufactured goods.

The Recovery Plan also focuses on the following:

- Support to Small and Medium Enterprises (SMEs) fully aware that by 2030 no less than 90% of new jobs will be created in SMEs.
- Demand-led skills development, responding to the needs of the labour market, and
- Implementation of B-BBEE (Broad-Based Black Economic Empowerment) which provides opportunities for local entrepreneurs – previously excluded - to build capacity and compete in a globalised economic environment.

Looking ahead to 2022, as Nedlac, we are also called upon to tackle additional priorities:

- Plugging the holes in the social protection safety net – so clearly exposed during the pandemic lockdowns – for the informal sector, gig workers and the vulnerable workers in general. This will require that we take an in depth look at present provision, and would include a discussion about the very definition of what constitutes a ‘worker’ and an ‘employee’.
- This also calls for a conversation and analysis of the impact of technological change and the Fourth Industrial Revolution on the world of work and on society in general. We know that 4IR comes with huge opportunities – and we must ensure that our people are trained and re-skilled – in a demand-led training process - to take advantage of these opportunities. Equally, we know, 4IR is going to be hugely disruptive of existing labour processes and employment patterns. Hence the need for Nedlac to take this up and chart the way forward in the interests of the many, not just the few.

- Nedlac is also called upon to address issues of energy and sustainability. The country needs a plan for coal – and to negotiate a ‘just transition’. By the way, it is one year since the signing of the Eskom Social Compact – we need to show progress in this respect.
- Also, in addressing the barriers to easing the costs of doing business in South Africa, Nedlac will need to lead a review of current labour laws, regulations and processes – in order to cut red tape and administrative cost, especially for SMMEs. By the way, a general review is probably due. The present labour laws and industrial relations system were drafted and put in place over 20 years ago. There are signs that the present collective bargaining system is taking strain – and needs to be strengthened.

In concluding, the lesson of the last two years – the united rapid response to the pandemic – is that social dialogue is vital not only in the good times, but especially during a period of national disaster – in terms

of the health crisis, as well as socio-economic difficulties. We see where other societies have been torn apart by the impact of the pandemic. We must never underestimate the value of having strong institutions such as Nedlac to provide a venue and conduit for social dialogue.

In 2022, as we continue to combat Covid-19 – in its different variants – and embark upon the road of reconstruction and recovery, Nedlac will remain critical to successfully achieving our goals.

I wish you well in your deliberations – and that we live up to the theme of this Summit: ‘Recovering and Building Together’.

Thank you.