

Ministers, MEC's, social partners, Nedlac ED and guests

- Nedlac yesterday closed out the NRRTT on Covid, with discussions on successes and key lessons
- The general view was that Nedlac was very successful in bringing a broad range of interests together in order to facilitate the response to the pandemic
- The social partners have shown great collaboration during the recent Covid-19 crisis.
- A number of compacts were reached in Nedlac through collaboration
- We commend the Nedlac ED and her team on the work Nedlac has done and results achieved, but we must achieve greater efficiencies in processing engagements towards quicker outcomes, with a sense of urgency

2. Government consults

Through Nedlac, government generally consults its social partners on most important policy matters.

3. Functioning of Nedlac

Although Nedlac does need a review to make it fit-for-purpose, the institution has generally played a

hugely constructive role in bringing government and social partners together to facilitate processes to address big societal problems, including the Covid-19 crisis. This role is also critical for social stability and democracy.

However, we must consider the context in which Nedlac is operating, and Lisa reflected on some of this; this includes:

- **SA presents a poor investment climate for both domestic and foreign investors**
- Unstable supply of electricity (Eskom). However, the announcement by President Ramaphosa of an energy plan and the establishment of NECTM is applauded by business and we are working closely with the Presidency to enable the urgent implementation of the plan.
- Poor water infrastructure affects businesses and communities alike (e.g. Nelson Mandela Bay);
- Social instability / xenophobia (Operation Dudula continues with impunity)
- Weak law enforcement / rampant crime (criminals hold business sectors hostage with relative impunity, e.g. InterCape and Golden Arrows buses being torched; construction mafia; etc.)

- Flight of skills and capital (immigration leads to brain drain as skilled people look for greener pastures elsewhere)
- Corruption (incl. Zondo Commission report)
- Business has identified these as priority interventions we will work on, with stakeholders, bilaterally and multilaterally, with a view to implementation
- The changing world of work, as the Minister has referred to
- Climate change.....just transition

5. Policy uncertainty and incoherence, and poor implementation

- High unemployment rate v protectionist labour laws that deter employment
- Over-regulation and complex transformation rules (e.g. financial sector must comply with FSC from the DTIC (enforced by the Financial Sector Conduct Authority), EE sector targets from the Department of Employment Labour (with different enforcement mechanisms) under the EE legislation; and skills development under the DHET.

6. Grey listing by FATF

- It could lead to a tough economic climate, including an increased cost of doing business (e.g.

high interest rates; difficult international transactions for imports and exports; etc.)

- It could worsen an already high unemployment situation
- SA would become a poor investment destination

All social partners need to recognise that these conditions point to our country being in crisis. Nedlac was very successful in mobilising a broad range of interests during Covid and focusing these interests towards a single goal, that of saving lives. It did so by positioning itself as the credible go to place to facilitate a response towards the pandemic. Nedlac did not try to achieve consensus on every issue or try to implement, but brought people together to coordinate, inform and guide processes, either multilateral or bilateral, in place to address aspects of the response to the pandemic. We believe that's the role Nedlac should play in bringing a broad range of interests together to facilitate various initiatives to address the crises SA faces today.