

# **Nedlac Summit**

## **Welcoming remarks**

**09.09.2022**

Welcome/protocol

I will begin with some reflections on the rapid changes taking place in the workplace. Let me take you back to the 2019 ILO Conference – and some of you were there – the conference formally received the report of the Global Commission on the Future of Work that had been co-chaired by President Cyril Ramaphosa with the Prime Minister of Sweden, H.E. Stephan Lofven.

This took place only days after my appointment as Minister of Employment and Labour in the present administration. One of the outcomes of the ILO

Conference was the adoption of a joint declaration calling for:

- A ‘human centred approach’ to guide the Future of Work, the Fourth Industrial Revolution and Artificial Intelligence, and
- A re-commitment and re-emphasis on the importance of social dialogue based on tri-partism between governments, labour and business.

Revisiting my Department’s report on the 2019 ILO Conference, I see that much of the discussion revolved around issues of jobs and skills training. The discussions focused on transformations sweeping through the world of work, including technology, climate change and demographic shifts bringing new opportunities for creating employment and improving incomes, thus attaining Sustainable Development Goal 8 on “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.

It was also acknowledged that these transformations are disrupting labour markets, affecting global production networks and changing the tasks and skills requirements of existing and future jobs.

It was also argued that there needed to be linkages between jobs, skills and the policy reforms needed to support future just transitions in the labour market. Presenters accepted the likelihood of employment potential in some labour intensive sectors but also the fact that jobs will be needed for the many young workers in developing Africa, Asia and Latin America.

Furthermore, in this fast changing labour market, it was pointed out that skills, once acquired are likely to have a short shelf life making it necessary to continually reskill and upskill over the course of one's life. At the same time, demographic trends were seen to be leading to massive migratory pressures and large-scale movements of migrants and refugees.

Presenters to the Conference accepted and confirmed that digitalization, demographic shifts, climate change and globalization will have a profound effect on how people manage transitions over the course of time. These transformations presented opportunities to create new jobs, facilitate greater access to and inclusion in labour markets, and support rising productivity and incomes. Yet they also present challenges, particularly for those workers' least equipped to undertake the transitions that will be required.

It was also argued that decent job creation policies and strong and sustainable social protection systems will be essential to support working people, including young, prime-age and ageing women and men, through these multiple transitions.

There was also general acceptance that we live in a world where a global supply of workers connected by the internet, can be hired in real-time to perform tasks as

varied as IT programming, graphic design, or school tutoring. This raises a number of questions:

- What are the consequences of these transformations for businesses and workers in both the North and South?
- What does this mean for how we regulate labour markets?
- What policies are needed to ensure that digital work will be decent work?
- What should social partners be doing to shape the direction of technological developments?

So, we need to focus on:

- Sustainability
- Just transitions from the old to the new
- Technological changes and the reorganization of work.

I think we would have to say that recent events – particularly the impact of the Covid19 pandemic - have speeded up these trends and point to the need for research which is focused on solutions.

Most obviously we now have the widespread ‘work from home’ phenomenon – and we still await findings on the long-term effects of this, although I know it has led to major reprioritization in government and private sector budgets.

Closer to home, the pandemic found South Africa’s limited system of social protection inadequate. We did mobilise funding through the UIF Covid19 Ters programme which supported millions of workers and their families. But this applies only to employees as classically defined. Left outside the net were the informal sector and precarious workers in the gig economy – which would currently be defined as self-employed. The same goes for the Compensation Fund. The social partners in NEDLAC need to address this omission.

Clearly changes in the world of work challenge traditional notions of work as a physical place where employer and employees meet to do battle over the proceeds of production. The repercussions call for a review of our systems of social protection, for the regulation of health and safety in the workplace, and probably for aspects of collective bargaining in general.

Reinforcing the point, the ILO publication of this year: 'The next normal: The changing workplace in Africa' - finds the following trends emerging from the pandemic:

- Trend 1: Remote work has grown dramatically—but unevenly—during the pandemic
- Trend 2: Most future workplaces in Africa will be in-person or hybrid, not fully remote
- Trend 3: Remote work is changing how some enterprises hire
- Trend 4: Health and safety measures were widely adopted and beneficial for workplaces

- Trend 5: Flexibility & adaptability have helped enterprises navigate the pandemic
- Trend 6: Digital, communication, innovation and teamwork skills are now top priorities for enterprises
- Trend 7: Productivity has improved or remained constant at most enterprises
- Trend 8: The pandemic has deepened gender inequality at work
- Trend 9: Social dialogue has been reinvigorated during the pandemic, and
- Trend 10: Labour laws have struggled to keep pace with rapid workplace changes.

The ILO report raises key questions including the following:

- How will labour laws govern remote work and other types of increased workplace flexibility?
- How will enterprises measure and reward worker performance in the future?

- How will the employer's duty of care change in the future, with the growth of remote work and the pandemic-related challenges to workplace health and safety?
- How will workplace changes brought about by the COVID pandemic, such as flexible or remote work, affect labour relations?
- How can skills training be delivered more broadly and efficiently, equipping a wide range of people with the diverse skills sets that enterprises need?
- How can women, minorities, persons with disabilities and other diverse groups fully benefit from changes to the nature of work in Africa?
- How will the globalization of labour markets affect the competitiveness of enterprises in Africa?
- How can changes to workplaces bring broad-based benefits instead of helping only a small share of workers, creating "digital elites"?
- How can national laws effectively govern remote work that crosses borders?

Focusing on Nedlac, let us remind ourselves of the context in which we are meeting:

- International economic and political challenges – war, shortages of food, an energy crisis, rising cost of living, inflation, rising interest rates, at best slow growth.
- Locally, in South Africa, we are experiencing the same trends in relation to the cost of living – but problems are exacerbated by the persistent high unemployment rate. This remains our number one priority as government, and as social partners.

Looking back at the recent period, we have witnessed the role played by Nedlac in facilitating an all-of-society response to major challenges facing the country:

- Nowhere was this more evident than in the response of Nedlac to the Covid19 pandemic – seeking to support businesses, workers and their families through a difficult time of lockdown – as well as leading in establishing health and safety protocols to keep the workplace safe.

- We also welcome the legacy project, in partnership with the Compensation Fund, on the management of Covid in the workplace to improve Occupational Health and Safety compliance.
- As we emerged from the worst of the pandemic and sought to rebuild - Nedlac also brought social partners together with government to develop the Economic Reconstruction and Recovery Programme. The ERRP has since developed around a series of work streams – especially around energy, transport and logistics, and SMMEs.
- Nedlac has also made significant inputs into legislation and policy including the Companies Amendment Bill and Critical Skills List.

This Summit provides the parties with an opportunity to engage around the future direction and vision of Nedlac. The Council needs to be proactive, taking up and leading on the major challenges we face – a just transition, sustainability, digitisation and the changing world of work. Nedlac needs to be agile and

contemporary – taking up topical issues such as the Cost of Living, energy etc.

We do need to engage with some speed on the difficult issues such as labour law reform, the Employment Services amendment bill and migration policy.

Finally - where are we with the social compact?

- This is still a work in progress. It has not been easy. But we can take comfort from the fact that parties are engaging and have committed to finding each other.
- I would appeal to all social partners to continue to engage, to find areas of collaboration, to build on these, and to seek to commit their constituencies.
- While we are working on this societal social compact, we must keep in mind, that at a concrete level, there are many actually existing other social compacts in South Africa which we need to recognise and support.
- As a way forward, Nedlac must be at the forefront of growing the practice of social compacting as a way of working.

- We are witnessing this already starting to take place. Over time, we see the role of Nedlac evolving as being the apex of social compacting - supporting and collaborating with other sectors, provinces or local social compacts.

Thank you. I wish the Summit well in its deliberations.