



NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL

NEDLAC CERTIFICATE ON THE SECTION 77 (1) (B) NOTICE FILED BY THE CONGRESS OF SOUTH AFRICAN TRADE UNIONS IN RESPECT OF THE ECONOMIC CRISIS IN SOUTH AFRICA

1. INTRODUCTION

- 1.1. NEDLAC received a notice, dated 21 August 2017, in terms of Section 77 (1) (b) of the Labour Relations Act (LRA) 66 of 1995, from the Congress of South African Trade Unions (Cosatu).
- 1.2. The notice outlined Applicant's demands in respect of economic crisis in South Africa.
- 1.3. It cited the following parties as Respondents:
 - 1.3.1. Department of Arts and Culture
 - 1.3.2. Department of Basic Education
 - 1.3.3. Department of Police
 - 1.3.4. Department of Communications
 - 1.3.5. Department of Cooperative Governance & Traditional Affairs
 - 1.3.6. Department of Justice and Correctional Services
 - 1.3.7. Department of Defence and Military Veterans
 - 1.3.8. Department of Energy
 - 1.3.9. Department of Environmental affairs
 - 1.3.10. Department of Health
 - 1.3.11. Department of Higher Education & Training
 - 1.3.12. Department of Home Affairs

- 1.3.13. Department of Human Settlement
- 1.3.14. Department of International Relations & Cooperation
- 1.3.15. Department of Planning, Monitoring & Evaluation
- 1.3.16. Department of Public Service & Administration
- 1.3.17. Department of Public Works
- 1.3.18. Department of Rural Development & Land Reform
- 1.3.19. Department of Science & Technology
- 1.3.20. Department of Small Business Development
- 1.3.21. Department of Social Development
- 1.3.22. Department of Telecommunications and Postal Services
- 1.3.23. Department of Tourism
- 1.3.24. Department of Water & Sanitation
- 1.3.25. Department of Mineral Resources
- 1.3.26. Department of Women in the Presidency
- 1.3.27. Presidency
- 1.3.28. National Treasury
- 1.3.29. Department of Labour
- 1.3.30. Department of Trade and Industry
- 1.3.31. Department of Public Enterprises
- 1.3.32. Black Business Council
- 1.3.33. Business Unity South Africa
- 1.3.34. Chamber of Mines
- 1.3.35. CCMA
- 1.3.36. South African Reserve Bank

2. PROCESS AT NEDLAC

2.1. The Section 77 Standing Committee convened a plenary meeting with the Applicant and Respondents on 15 September 2017.

2.2. Summary of engagements:

2.2.1. The Applicant, at the meeting, stated its demands as follows:

2.2.1.1. Private companies should be prohibited from retrenching employees with a view of maximising profits. They must be

required to create a certain number of jobs per year. Compliance on this issue must be monitored by the Commission for Conciliation, Mediation and Arbitration (CCMA).

2.2.1.2. Amendments to existing laws should be effected, thus to restrict layoffs to insolvent companies. Government should bailout these companies by injecting equity capital in order to curb an increase in unemployment.

2.2.1.3. Government should convene an Economic and Jobs Summit, through Nedlac, which should focus on the following issues:

- (a) The review of the National Development Plan, particularly, the Chapters on the Economy and Employment.
- (b) The abandonment of the neo-liberal trickle down economic policies as they have only benefited few individuals. In this regard, few individuals have become richer and the majority of the population poorer.
- (c) Imposition of legally enforceable obligations and targets on the private sector to create jobs, eliminate poverty and also eliminate income and asset inequality.

2.2.2. The Respondent stated the following:

2.2.2.1. It agreed that the Job Summit should be convened and that Nedlac should play a central role in the convening of the Job Summit. This process would to ensure participation by all social partners.

2.2.2.2. The demand on the prohibition of retrenchments that are motivated by profit maximisation could not be agreed upon at the meeting. Government therefore requested an opportunity to seek a mandate with its principals on this matter. It would then engage with Business where necessary.

2.2.2.3. The Respondent undertook to revert to Nedlac within one month.

2.2.3. The Standing Committee agreed that the Respondents be allowed time to consult with their principals and revert to the Committee within one month.

2.2.4. A response has not been received from the Respondents within the stipulated timeframe.

3. DECLARATION

Given these circumstances, the Standing Committee resolved that the Respondents appeared to be no longer committed to engage on this notice. The Standing Committee subsequently deemed this Section 77 (1) (b) notice filed by Cosatu as having been considered in terms of the Section 77 (1) (c) of the LRA.

Signed at ROSEBANK on this *07th* day of *November 2017*.



**MADODA VILAKAZI
EXECUTIVE DIRECTOR**