

Nedlac Summit - Nedlac social partners joint response to the Covid-19 pandemic and the lessons for socio economic crises and crisis type situations.

Martin L. Kingston
Chairman – Steering Committee Business for South Africa
8 August 2023

Good afternoon friends and colleagues, ladies and gentlemen.

It is fitting that the topic is focused on the social partners' response to crisis situations. Pre the pandemic, it would have been difficult to characterise the post democracy headwinds we faced as crises of existential proportions, threatening the lives and livelihoods of our citizens, and presenting unprecedented challenges to economic and social stability.

The ability of social partners to engage and mobilise individually and collectively was seen both in the response to the economic, social and healthcare ramifications of the pandemic as well as in response to the subsequent civil unrest, the floods and the present economic challenges. In all these cases we have experienced major crises, threatening to undermine our efforts to deal with the growing and unacceptable levels of poverty, inequality and unemployment. Failure to address these issues will fundamentally erode the progress we have made since 1994 and the work of society at large to ensure that we can deliver on the explicit aims of our constitution to deliver a better life for all South Africans.

It is only by harnessing the skills, resources and commitment of social partners that we will be able to avert the worst consequences of any crisis, often unanticipated and achieve our potential as a country. Interrogating how we navigated the pandemic, identified the key considerations, established and resourced appropriate structures and communicated with our constituencies provide essential inputs and, hopefully, equips us with the tools and knowledge to anticipate and react to other similar situations now and in the future.

I must commend Nedlac and the NRRTT for its speedy mobilisation, the flexible and accommodating governance structures that it implemented and for incorporating social partners into various committees that demonstrated focus, agility and responsiveness to the many issues that arose and for the continuous and transparent communications that took place. The integration of the skills and resources that were required played a significant role in building trust between social partners, ensuring effective intervention during the different phases of the pandemic and creating a precedent for addressing other crises. The success of the NRRTT is a strong justification for focused social compacting.

It is now some three and a half years since the special exco was convened at the IDC in March 2020, resulting in all social partners agreeing to the establishment of the NRRTT. At the same meeting the concept of a Solidarity Fund was launched - an unprecedented social response to the approaching crisis. In that case the structure was conceived, the platform established, the executive formed, and the board appointed, drawn from all social partners within a month of that special exco. We were able to raise over R4 billion in donations from individuals, companies, institutions, philanthropies and governments. We deployed those funds to efficiently target and support key relief efforts for the pandemic, including the vaccination rollout; for affected communities in the aftermath of the civil unrest and towards the flood victims. For the first year more than 100 volunteers worked unstintingly and pro bono to ensure that the skills, resources, systems and processes were in place to achieve the objectives of the Fund - with minimum frictional costs, maximum efficiency and impact and full transparency and accountability.

A similar approach informed the establishment of B4SA, Business for South Africa - an all of business response, spearheaded by the Black Business Council and BUSA. Large or small, informal or formal businesses, across all sectors of the economy, some not members of organized business, brought skills and subject matter expertise to bear, abandoned brands and egos and worked together, harmoniously and urgently, on an integrated basis to save lives and livelihoods. Within the same timeframe we mobilised over 450 people from a wide variety of disciplines, focusing on the three works streams of healthcare support, including procuring PPE primarily for the Solidarity Fund, working with our social partners within Nedlac to access social relief and drafting the accelerated economic recovery strategy - a key input into the reconstruction and recovery plan, whilst also engaging on lockdown levels and workplace interventions.

In the second year of the pandemic, B4SA focused on collaborating with government and other social partners on the design, development and operationalisation of the vaccination roll out programme, ensuring once again that critical skills were mobilised and partners and funders such as the Solidarity Fund could help enable that critical intervention.

In all these areas, putting in place appropriate governance and support structures, including a properly resourced project management office, ensuring that there were teams focusing on legal and regulatory considerations, and effective, consistent, comprehensive and transparent internal and external communications were essential ingredients to a successful response.

As the recently released Nedlac report – on “learning the lessons, creating a legacy” correctly depicts, without the role played by the social partners at Nedlac, the harm to the economy and society could have been much greater.

As the report outlines, it was not always smooth sailing. Despite alignment and consensus in many areas, including the need for effective interventions that were practical and implementable, there was understandable disagreement on a number of matters such as mandatory vaccination, the banning of tobacco and alcohol sales, opening up the events, tourism and entertainments sector with widespread ramifications for livelihoods and the economy.

Some 1.2 million people working in the events industry were directly or indirectly impacted. It has been estimated that the alcohol ban cost the country some R8 billion and put 165 000 jobs at risk, whilst between R4.5 and R6 billion in taxes and 300 000 jobs were either lost or jeopardised due to the tobacco ban. However, regardless of the area for focus, there was a willingness to engage, to access data from multiple sources and perspectives and to seek to align under the auspices of the Nedlac team wherever possible. The structures that were implemented and the agile, proactive and committed resources that were made available by all social partners built trust and camaraderie.

In the face of adversity, we saw social partners forging agreement in key areas, resulting in several successful interventions. These included:

- A much improved understanding by employers of risk based approaches to occupational health and safety;
- Significant relief schemes such as the Covid 19 temporary employer employee relief scheme (TERS) programme and the social relief of distress grant. We should applaud the fact that nearly 6 million workers received over R60 billion from the UIF.
- The establishment of the National Communication Partnership to ensure that complex messages were effectively and continuously conveyed, leveraging the resources and communication channels of civil society formations, organised labour, the business community and all arms of government.

We need to internalise and learn from key lessons that emerged during and after the crisis, many of which the Nedlac report highlights:

- The importance of surveillance systems, particularly in the workplace
- Identifying areas where, working together as partners, we could successfully localise the manufacture of key products to support employment growth, in the case of the pandemic, including PPE, ventilator programmes and the production of vaccines.

- Clear, consistent and comprehensive internal and external communications to build trust and confidence in the role of Government and its social partners.
- The significance of scientific, rational and evidence-based inputs which withstand scrutiny and can be crisply articulated
- The need to develop appropriate policy responses to societal challenges including alcohol abuse, gender-based violence, appropriate and safe arrangements for transportation, the workplace and places for gatherings
- Relief measures for future crises including adequate funding, adaptable and fit for purpose structures and the ability for rapid response interventions - such as could and indeed should have been used for other humanitarian crises such as the civil unrest and the floods.

The impact of the pandemic manifested in significant GDP contraction and the permanent and temporary loss of jobs that still reverberate today. Indeed, it magnified and, in some cases, crystallised ongoing structural flaws that have become significant crises in their own right. A year ago, we identified three focus areas of 1) energy, 2) transport and logistics and 3) crime and corruption that had the potential to fundamentally undermine any real prospect of recovery, let alone sustainable and inclusive growth. Individually and collectively, they act as either a brake or a spur on our ability to address poverty, inequality and unemployment.

We recognise that there are other areas that also demand focus but that limited resources requires us to be disciplined in the prioritisation of critical interventions and scope for collaboration. The creation of structures such as the National Energy Crisis Committee, the National Logistics Crisis Committee and the Joint Initiative on Crime and Corruption; and the formation of the Resource Mobilisation Fund to access and deploy resources to those structures is a clear manifestation of how we, as social partners, can and should respond to such crises. Business has indicated its full commitment to collaborate as evidenced most recently by the CEO pledge.

Nedlac had a crucial role to play and, understandably, given its experience and convening power should be called upon again whenever appropriate in future. Its ability to manage knowledge and disseminate information on a timely basis, whilst co-ordinating and integrating many of the activities of social partners, is an area that requires further consideration.

Let us hope that we can take the lessons we have learnt from these past and present crises and respond appropriately by leveraging on combined skills, resources and commitment in the future.

