

NATIONAL

## Nedlac's missed deadlines are over clashing ideologies, says Mashatile

Date for a declaration of actions has not been met, deputy president says as executive director Lisa Seftel warns of 'existential risk'

BL PREMIUM

10 SEPTEMBER 2023 - 20:01 by LUYOLOMKENTANE



Deputy President Paul Mashatile. Picture: ALAISTER RUSSELL

Ideology seems to be at the centre of the inability of social partners at the country's policy formulation body to hammer out a social compact to address joblessness and slow economic growth, more than a year after President Cyril Ramaphosa announced it during his state of the nation address (Sona).

Deputy President Paul Mashatile, delivering his keynote address at the annual national summit of the National Economic Development and Labour Council (Nedlac), admitted the deadlines for the establishment of "a written declaration of commitments and actions [have] not been met".

The country had sought to follow the examples of social democratic countries that agreed to trade off wage increases for job stability, the deputy president said.

"However, in SA, where unemployment is so high and those who work support many of those who do not, this type of trade-off may be difficult to attain. The most pressing challenge appears to be one about ideological positions among social partners in respect of the path to growth, which have not shifted despite the enormous crisis the country faces," Mashatile said.

The government, business, labour and community bloc at Nedlac all share different ideologies on the trajectory the country should take to tackle runaway unemployment, slow economic growth, entrenched poverty, violent crime, systemic corruption, and infrastructure development, among other things.

"We must summon enough bravery to discuss this matter openly to prevent the ticking time bomb of poverty, inequality and joblessness from going off. This is not impossible to achieve," said Mashatile.

Nedlac executive director Lisa Seftel said the council faces an "existential risk" as social partners "could not agree on a systemic long-term programme to turn the economy around", and "do not have the same economic vision for the future".

### Con ictual platform

Business Unity SA CEO Cas Coovadia said the organisation agrees with Seftel that Nedlac faces an existential risk.

"We agree with this. It is thus critical for Nedlac to grapple with its role, positioning, mandate, and value-add," Coovadia said.

"Nedlac must ensure it is ' t-for-purpose' to be relevant in the current context and the challenges of the next decade. It must be a forum for social dialogue and focus on programmes on which there is the greatest scope for collaboration across stakeholders, instead of being a con ictual platform," he said.

During his Sona in February 2022, Ramaphosa announced that the government and its social partners would, within 100 days, produce a comprehensive social compact to deal with poor economic growth and

unemployment.

In March, Ramaphosa — criticised by former president Thabo Mbeki for making false promises to the nation — sought to explain why the social compact had not been realised by saying, “We had wanted to have a comprehensive social compact and we had put together a timeline and we were not able to reach that timeline, but what we have seen over time is that we have been able to reach a number of compacts.”

At the Nedlac summit, Mashatile said through the presidency, Business for SA has initiated an important partnership with the government.

“With its focus on three critical areas of energy, logistics and crime, it has offered to bring in resources and expertise to accelerate progress and address the current impediments to economic growth. The government is pleased with this development, as it is a direct result of the successful partnership and collaborative efforts of Nedlac,” he said.

The deputy president said he had witnessed “encouraging moves” towards social compacting, “such as the recent commitment of more than 15 CEOs to work with the government to reconstruct the economy”.

#### Unqualified audit

“The more important question to answer is whether the parties to the social compact can obtain a mandate from their constituents and whether they have the capacity to fulfil their commitments. When this does not happen, social compacts amount to nothing but ‘talk shops’, something we must at all costs avoid.”

Meanwhile, in his opening remarks at the summit, employment & labour minister Thulas Nxesi hailed Nedlac's performance during 2022/23, saying the annual report reflects a “job well done” as the organisation received an unqualified audit “with [fewer] findings than in previous years”.

“We must continue to improve performance. Unfortunately, there is one area of work in Nedlac where progress is just too slow and that is the area of labour market reform. In early 2021, after business, labour and government had tabled their proposals for labour law reform, I had hoped that within six or eight months, we would have reached an agreement on a number of changes that would improve the efficiency of the labour market without disturbing worker rights,” Nxesi said.

“Some of the amendments proposed by the parties included improving the functioning of the labour court and collective bargaining which ensure that in practice, the rights of workers are realised. However, the process is ongoing and we are now too late for this parliamentary cycle.”

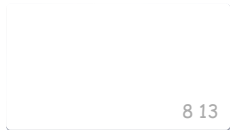
[mkentanel@businesslive.co.za](mailto:mkentanel@businesslive.co.za)

BDTV

[Read more →](#)



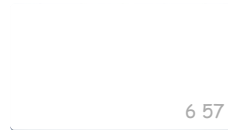
Next video



8 13

Market Report - 11 Sept 2023 | The Close

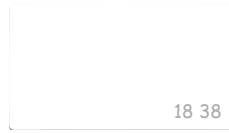
**BL** 14 hours ago



6 57

Watch: Sun International benefits from recoveryi...

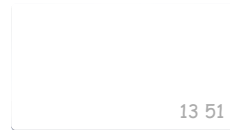
**BL** 14 hours ago



18 38

WATCH: Trade of the week - Thungela, Mr...

**BL** 18 hours ago



13 51

Market Report - 11 Sept 2023 | Business Lunch

**BL** 19 hours ago



**BL** 3

Powered by OOVVUU