



OVERVIEW OF NEDLAC

Review of 30 years of democracy

The National Economic Development and Labour Council (Nedlac) is an apex social dialogue institution that was established on 18 February 1995, one of the first new institutions established after the 1994 democratic elections.

The aims of Nedlac as set out in the Nedlac Act (1994) are to promote the goals of economic growth, participation in economic decision making and social equity and to reach consensus and conclude agreements on matters relating to social and economic policy. Nedlac is required to consider all proposed labour legislation and significant changes to social and economic policy before it is implemented or introduced in Parliament.

Nedlac brings together representatives from government, labour, business and community organisations to cooperate through problem-solving and negotiating socio-economic challenges facing the country. When it was set up, it drew on international best practices as well as the experiences of working with the National Economic Forum (NEF) and National Manpower Commission (NMC) in the transitional period.

Nedlac was placed under the auspices of the Department of Labour (now Department of Employment and Labour) and is composed of government, the most representative bodies from organised labour and business and community-based interest groups. This innovation aimed to give voice to marginalised groups such as the unemployed, disabled, youth and women and avoid narrow corporatism.

Over the thirty years of democracy, Nedlac has focused on inputting into policy and legislation, hosting a number of significant engagements and summits and co-ordinating social partner responses to challenging situations.

Since its inception, Nedlac has hosted a number of noteworthy summits such as the Presidential Job Summits (1998 and 2018), the Financial Sector Summit (2002), the Growth and Development Summit (2003) a National Stakeholder Summit on Electricity Crises (2008), and a Labour Relations Indaba (2014).

The Presidential Job Summits focused on ways all social partners could stem job losses and create and stimulate greater participation in the economy. The 2018 Jobs Summit resulted in the signing of a Jobs Summit Framework Agreement which set out 77 distinct commitments. A Presidential Co-ordinating Unit (PCU) operated at Nedlac for just under three years facilitating and monitoring the implementation of this Framework Agreement.

The Financial Sector Summit (2002) sought to improve access to finance for previously marginalised groups and proposed a Financial Sector Charter which would promote employment equity, skills development, access to empowerment financing and black economic empowerment.

The Labour Relations Indaba (2014) was held to address wage inequality and violent and protracted strike action. This gave birth to a Wage Inequality Technical Task Team which paved the way for the engagements on a national minimum wage.

All significant socio-economic legislation has passed through the Nedlac structures. In 1995, the Labour Relations Act was one of the first pieces of legislation to go through Nedlac. This was followed by the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), the Skills Development Act (1998) and a new Unemployment Insurance Act (2001). Extensive engagement and negotiation at Nedlac have transformed the labour market and aligned legislation with the rights enshrined in the Constitution, reversing the lack of dignity and exploitation workers experienced during the apartheid era.

Other significant pieces of legislation that were considered include the Companies Bill (2019), the Competition Amendment Bill (2008 and 2018) and the National Health Insurance (2019).

Nedlac has also given birth to a range of tripartite bodies such as the CCMA (1995), Proudly South Africa (1991) and the National Minimum Wage Commission (2019)

In times of challenge, Nedlac has brought parties together to respond to crises such as the Electricity Summit which led to a Nedlac Accord (2008), the development of the Framework for South Africa's Response to the International Crisis (2009), Social Compact to support Eskom (2020) and Covid Nedlac Rapid Response Task Team (2020 – 2022).

One of the responses to the 2009 economic crisis was the establishment of the Training Lay-off Scheme aimed at providing companies with an alternative to retrenching workers during a period of industrial slack caused by the recession. The scheme was developed in record time and different government entities and social partners collaborated to make it work. The scheme was relaunched as the Temporary Employees Relief Scheme arising out of the 2018 Presidential Jobs Summit and adapted during the Covid-19 pandemic to provide income replacement to the tune of R65 billion to millions of workers

In 2019, in response to the electricity crisis, the social partners began to draft a social compact to support Eskom which was signed in December 2020. This compact commits all social partners to support measures to ensure energy security. Many of the measures contained in the social compact, were later taken up by the National Energy Crisis Committee (Necom) co-ordinated by the Presidency.

Nedlac played a central role in coordinating social partners' response to the Covid-19 pandemic between 2020 and 2022, including the implementation of the Covid-19 Temporary Employee Relief Scheme (TERS) and Occupational Health and Safety Directions related to the safe re-opening of workplaces. Social partners also came together after the July 2021 unrest in KwaZulu-Natal and Gauteng provinces to develop a comprehensive package of measures including support for uninsured businesses, and unemployment insurance support for workers unable to work.

Over the years, Nedlac has succeeded in establishing social dialogue and partnership as an accepted and valuable part of South Africa's policy-making and national decision-making system.