

## Business questions relevance of Nedlac

Business leaders questioned the relevance of the [National Economic Development and Labour Council](#) (Nedlac) at its 29th annual summit in Johannesburg on Friday.

Nedlac was established in 1995, shortly after the end of apartheid, as a platform for dialogue between the government, business, labour and community organisations.

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By providing a structured environment for these stakeholders to collaborate, Nedlac has played a role in shaping South Africa's post-apartheid economic and social landscape.

But said Cas Coovadia, the chief executive of [Business Unity South Africa](#), "more work needs to be done to consider whether Nedlac is fit for purpose in the current environment and for the challenges that lie ahead".

In 2021 the Nedlac executive council established a governance task team to review the council's founding documents, including the Nedlac Act and the Nedlac constitution.

"We believe this should have been done earlier — to look at Nedlac's progress, relevance and positioning. We believe it's critical," Coovadia said.

Some of the work done by the council has included the consideration of legislation such as the Companies Bill (2019), the Competition Amendment Bill (2008 and 2018) and the National Health Insurance Bill (2019).

Nedlac has also brought parties together 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); the Social Compact to support Eskom (2020); and the Covid-19 Nedlac Rapid Response Task Team (2020 – 2022).

Coovadia said in the past 30 years the world and the issues that governments have to contend with have changed and Nedlac must evolve accordingly.

"The current economic trajectory, which will gain momentum every year, is that of an economy that is characterised by artificial intelligence, digitalisation, hybrid ways of working and diverse ways of work. These are critical changes and Nedlac needs to review how it will remain relevant and what it needs to do," he said.

Raymond Parsons, an economist at the North-West University Business School and a former convenor of Nedlac, concurred, saying there was a huge challenge ahead for Nedlac to reform.

"We've heard that there are plans to restructure, adjust the operation of Nedlac. It's quite clear that given the challenges we have identified, Nedlac has to be fit for purpose in the next few years. The ingredients that are part of that, making Nedlac fit for purpose, would be firstly to be proactive and to be relevant," Parsons said

But labour federation [Cosatu's](#) parliamentary coordinator [Matthew Parks](#) disagreed with the notion that Nedlac is losing its relevance.

“Nedlac is more relevant than ever before. It is still workable to address issues of today. We would be far worse off if we didn’t have it, it’s helped to address many issues,” he said on the sidelines of Friday’s summit.

“Government on its own doesn’t have all the ideas or the capacity, business doesn’t have the political muscle and labour doesn’t really have money but we can help bring on board workers. There are always issues but there’s progress.”

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