

Nedlac social partners  
reflecting on  
**30 years of  
democracy**  
and planning for the future

---

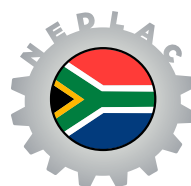
REPORT FOR THE SEVENTH  
ADMINISTRATION

---



**the dpme**

Department:  
Planning, Monitoring and Evaluation  
REPUBLIC OF SOUTH AFRICA



National Economic  
Development and  
Labour Council



# CONTENTS

1. Introduction

---
2. Reflecting on 30 years of democracy, planning for the future

---
3. Social partner priority areas

---
4. Reports from the working sessions

---
5. The role of nedlac and social dialogue

---



# 1. INTRODUCTION

**2024 marks 30 years of democracy in South Africa. The social partners at Nedlac, organised business, labour, community, and government, agreed to celebrate and reflect on 30 years of democracy and provide input into plans for the future and what role they would like to play with government to advance inclusive economic growth and social equity.**

The Nedlac 30-year project was launched on 10 May 2024, when the Minister in the Presidency responsible for planning, monitoring, and evaluation, Maropene Ramakgopa, presented the government's 30-year review to a special Nedlac executive council.

This was followed by two working sessions on 21 and 28 June 2024, attended by the leaders of social partners. In these facilitated discussions, social partners deliberated on achievements, lessons, and plans for the future.

This document is an integrated report arising out of the working sessions and

- Sets out the achievements and lessons learned that the leadership of the social partners have reflected upon;
- Provides recommendations for the government to consider as it develops plans for the next five years based on the Medium-Term Development Plan and
- Highlights priority areas where the social partners want to collaborate with the government to achieve policy priorities.

The document is structured as follows:

- Section 2 sets out the problem statement that needs to be addressed as we plan for the future based on the achievements and lessons;
- Section 3 summarises the priority areas proposed by the social partners to collaborate and engage with the government;

- Section 4 contains reports from the working sessions; and
- Section 5 summarises the role identified for Nedlac.

Available on the Nedlac website at <https://nedlac.org.za/nedlac-30-years-of-democracy-event-briefing-notes/> are the briefing notes that were provided as inputs into the working sessions.

The Nedlac secretariat would like to thank the facilitators and rapporteurs from the Association of Former Director Generals (AfDG), the Mapungubwe Institute for Strategic Reflection (Mistra), and the Public Affairs Research Institute (Pari). We also thank the senior officials from the Department of Planning, Monitoring, and Evaluation for their collaboration on this project.

## 2. REFLECTING ON 30 YEARS OF DEMOCRACY, PLANNING FOR THE FUTURE

**South Africa is very different from 30 years ago. There have been significant changes, but not all in the right direction.**

In 1994, the first democratic government embarked on an ambitious programme of legislative and institutional reform to rid the country of its apartheid legacy and provide a better life for all. Thirty years later, South Africans have reaped the benefits of this but have also experienced unintended consequences and unforeseen disasters, such as the COVID-19 pandemic. We also face new circumstances requiring different solutions.

This section draws on the key achievements and lessons raised by social partners to set out the problem statement that the government and social partners need to respond to as they plan for the future.

Firstly, the country remains beset by the triple challenges of inequality, unemployment and poverty. Coupled with new challenges and

changes such as digitalisation, climate change and the complex geopolitical environment, the current period can be characterised as a polycrisis. The recent elections with a government of national unity (GNU) have been welcomed with cautious optimism, although there is uncertainty as South African politics enters uncharted waters.

High unemployment and thus poverty and inequality remain the single most formidable challenge facing South Africans. It disproportionately affects vulnerable populations, including youth and low-skilled workers, exacerbating social inequalities and hindering economic growth.

The changing nature of the labour market, especially the impact of digitalisation and climate change, is linked closely to unemployment. These are leading to an increase in casualisation and non-standard forms of employment, often characterised by the lack of decent wages and working conditions.

Secondly, South Africa is not only faced with the ongoing imperative to provide redress in respect of our apartheid legacy. It must also cushion workers and communities impacted by new factors outside our control, most significantly climate change and geopolitical developments.

While climate change and the energy transition bring risks and opportunities, there must be an all-of-society response to increased heat, flooding, and other national disasters. This just transition response needs to embrace skills development, social protection and the development of new job paths.

Thirdly, there have been many lessons on policy-making and implementation. The South African Government is often praised for good policy design but poor implementation. However, there are instances where policy is inappropriate for changed circumstances, not flexible enough or too contested to be implementable. Policies do not always fail; more often than not, they are not properly implemented. Policies require constant monitoring.

Introducing new initiatives on implementation is not necessarily the best option. Some existing initiatives are executed too slowly. The state's capacity for implementation is critical, and its

capacity has been undermined significantly by state capture, political interference in the administration, inadequate systems, poorly skilled and capacitated employees and fiscal constraints. The changing nature of service provision, combined with the above, has further undermined the local government's ability to implement basic services.

Lastly, a significant partnership-building experience since 1994 needs to be built upon.

The common objective for social partners is inclusive growth and social equity. While there may be differences on the path to achieving this, there is significant common ground on the measures to achieve it.

The social partners have divergent views on the extent to which the state can or should directly invest in or create jobs. However, all partners agreed on the imperative to create jobs in the private sector and the role of public employment schemes in providing temporary income relief.

Similarly, there are different views on the state's role in the economy and the role of the market as a mechanism for facilitating state delivery. Nevertheless, bringing in private sector capacity or using greater market mechanisms for service delivery should flow from analysing how to build a developmental state and enhance growth, not as an impulsive response to dealing with the period of state capture.

The current conjuncture could usefully be described as a transition, not only politically, but also to new sources of economic growth and energy and to respond to the changes brought about by climate change and digitalisation. In a transition and to ensure social stability, there needs to be an appropriate balance of measures to enable growth on the one hand and protect and support workers, businesses, and communities during the transition on the other.

Drawing on this problem statement and the themes elaborated above, the next section identifies priority areas for collaboration between government and social partners over the next five years.

### 3. SOCIAL PARTNER PRIORITY AREAS

The social partners, arising out of the 30-year project, would like to propose the following priority areas for consideration. In these areas, they can commit to working with the GNU to address the triple challenges of poverty, unemployment, and inequality.

#### A. Partnerships for inclusive growth

The last five years have demonstrated the potential for government, business, labour, and civil society to collaborate on specific issues, including COVID-19, energy, and sector master plans.

The social partners commit to participating in bilateral and multilateral **extended partnerships** in the following areas, working with Operation Vulindlela and other government-led coordinating bodies: **energy, water, freight, public transport, and digital.**

These partnerships should be strengthened through greater consultation, transparency, inclusivity, monitoring, and alignment within government.

At a sectoral level, the **master plans** can be improved upon and expanded to transform and grow identified economic sectors, leading to better outcomes for local and small businesses, more jobs, and improved working conditions for workers. Master plans also have the potential to drive demand-led skills development.

While master plans have become common vehicles for implementing industrial policy, those that can significantly impact jobs and put the economy on a new trajectory should be prioritised. These include master plans focusing on renewable energy, the auto sector, and the iron and steel sectors.

Social partners propose that an Industrial Policy Council or similar structure be established with the participation of the relevant government departments and social

partners to improve coordination, information sharing, prioritisation and coherence.

#### B. Employment creation and public employment schemes

Until the economy grows sufficiently rapidly to generate sufficient jobs, there is a need for government and social partners to work together to create jobs and encourage income-generating opportunities through public employment schemes, pathways for young people, social entrepreneurial support, and training.

The social partners commit to **supporting, agglomerating,** and accelerating public **employment initiatives** and ensuring greater collaboration and uniformity between existing initiatives and an enhanced and more innovative application of the **Employment Tax Incentive** to support access to employment.

#### C. Addressing hunger and poverty

Malnutrition leading to stunting amongst children is not only cruel but a binding constraint on the future of our nation. Poverty and the inability to receive income drive crime and the use of drugs and make our nation unsafe and unstable.

The social partners are committed to working with relevant government departments on:

- The revival of the development and implementation of a **comprehensive social security strategy** while at the same time **sharpening public and private social security delivery vehicles** so that every eligible beneficiary receives their funds on time; and
- Targeted interventions to improve **food security in general and amongst children in particular.**

#### D. Supporting labour market transitions

Due to climate change, digitalisation, and geopolitical developments, the next five years and beyond will likely see significant economic transitions. These include mine and power station closures, shifts to greener

transport and away from petroleum-powered vehicles, and different agricultural products grown in different parts of the country.

Workers and businesses need support through fit-for-purpose policies and institutions to ensure that these transitions are just and that our society's social fabric is not torn apart.

Social partners commit to work with the relevant government departments to determine and implement:

- A **reformed and modernised unemployment insurance fund system** which can cater for a changing labour market, new work arrangements, transitioning workers in addition to supporting workers during temporary periods of unemployment, and
- A **reformed workplace skills system** that is more agile, responsive to labour market needs, operates at the required scale and can provide relevant, quality training for young people and transitioning workers.

## E. Responsive and capacitated government

Confidence and hope rest with a government that inspires trust through capability, responsiveness and accountability. An increasingly critical impediment to enabling economic growth is the lack of service delivery by local governments, including metros, which should be the heartbeat of our economy.

Firstly, social partners want to see significant **policy, legislative, and institutional reform of the local government system**, including measures to ensure fiscal sustainability, political stability, and service delivery (with particular attention on energy, water, roads and public transport, and spatial planning), and stronger accountability. Social partners can commit to working with the government on service delivery partnerships.

Secondly, social partners believe and can commit to an **active and productive partnership** between public service leadership, management, and workers supported by



digital infrastructure, professional people-centred values, and capacity building to transform the **public sector**.

Thirdly, our world is increasingly prone to uncertainty and disasters, including flooding and infrastructure failure. Social partners are committed to strengthening and enhancing a multi-stakeholder **disaster response system** that includes proactive risk reduction, early warning systems, emergency response relief programmes, and resilient reconstruction efforts.

## 4. REPORTS FROM THE WORKING SESSIONS

### 4.1. Labour Protection

#### 4.1.1. Achievements and lessons

The South African labour market has undergone significant transformations over the past three decades, shaped by the nation's transition to democracy, economic reforms, and globalisation. Labour market reforms have brought certainty and created a stable labour relations system.

## Labour rights

South Africa's transition to democracy in 1994 marked a pivotal moment for labour rights. The introduction of progressive labour legislation, including the Labour Relations Act (LRA), Basic Conditions of Employment Act (BCEA), and Employment Equity Act (EEA), has been instrumental in extending rights to previously marginalised groups such as farm and domestic workers. The introduction of the National Minimum Wage Act in 2019 has set a wage baseline, improving the livelihoods of many low-income workers.

These laws provided a framework for fair treatment, non-discrimination, and collective bargaining, essential for protecting workers' rights. Various policy interventions and collective bargaining agreements have further improved working conditions. Best practices from leading companies highlight the importance of comprehensive workplace policies addressing physical and mental well-being. Successful occupational health and safety programmes in high-risk sectors have reduced workplace fatalities and improved safety standards.

Despite these advancements, enforcement remains a significant challenge. Many workers, particularly in the informal sector, continue to face violations of their rights due to inadequate oversight and the complexities of informal employment structures. On the other hand, South Africa's employment laws are perceived as rigid relative to other developing markets.

Funding cuts constrain the Department of Employment and Labour (DeL) 's ability to conduct inspections and the Commission for Conciliation Mediation and Arbitration (CCMA)'s ability to resolve disputes. Due to a shortage of commissioners at the CCMA, there is a significant backlog of cases. Workers can't rely on employers' self-regulation.

This high unemployment rate prompts the question of whether labour market regulations are too rigid, disincentivising businesses from hiring. Finding the right balance between labour market flexibility and worker protection is a complex challenge. Legislation must undergo continuous evaluation and

adaptation to ensure it meets the needs of both employers and employees.

## Conditions of Work

While formal sectors such as finance and manufacturing generally offer better working conditions, many workers in the informal economy face precarious employment with little job security. Automation and digitalisation are transforming workplaces, leading to both opportunities and challenges. While these advancements can enhance productivity and create new job opportunities, they also threaten job security and exacerbate inequalities if not appropriately managed.

South Africa's labour laws are largely based on older International Labour Organization (ILO) conventions that may not fully capture the changing nature of work. The rise of the gig economy, platform work, and digitalisation necessitates continuous adaptation of laws to address emerging trends such as digitalisation and informal work.

The Labour Relations Act (LRA) primarily focuses on "employees," excluding many informal sector workers like waste pickers, e-hailing drivers, and own-account vendors.







### **Health and Safety**

The Occupational Health and Safety Act (OHSA) provides a comprehensive framework for ensuring safe working environments. However, implementation gaps persist, as evidenced by high-profile incidents such as the Lily Mine disaster and the collapse of a building in George. These tragedies underscore the need for stringent enforcement and continuous improvement in safety standards, particularly in high-risk industries like mining and construction.

Establishing the Occupational Health and Safety Council has been a step forward, but more must be done to address hazards in high-risk industries. Additionally, the Compensation Fund and other safety nets must be strengthened to provide better support for affected workers.

### **Employment Equity**

Employment equity aims to redress historical imbalances in the workplace. The EEA has led to notable improvements, such as increasing African representation in top and senior management positions. Despite significant progress, achieving true transformation in employment equity remains elusive. Persistent racial and gender inequality persists in the labour market. Major wealth ownership often lies with white South Africans, and employment patterns continue to reflect historical racial biases.

The slow pace of closing the gender wage gap underscores the need for continued efforts to achieve gender equity in the workplace.

### **Social dialogue**

The importance of social dialogue and collaboration among government, employers, and labour unions cannot be overstated. Nedlac continues to play a pivotal role in facilitating this dialogue and ensuring that labour laws are responsive to the needs of all stakeholders.

#### 4.1.2. Recommendations

### **Strengthening Enforcement and Dispute Resolution**

Inspection and enforcement need to be strengthened through changes to legislation, better capacity to enforce existing laws, public-private partnerships, and co-regulatory and self-regulation models. Training and capacity-building for enforcement agencies in the DeL and bargaining councils are crucial to ensure they adapt to changing labour market conditions. Monitoring capacity should be increased.

Following the labour court's successful use of pro bono work to manage its caseload could improve the CCMA's financial sustainability and expedite case resolution.

The National Skills Fund could be leveraged to finance the training of dispute resolvers, inspectors, and other personnel responsible for enforcing labour laws and promoting occupational health and safety.

Consideration should also be given to regulating, inspecting, and enforcing worker rights and occupational health and safety under remote work circumstances.



### **Enhancing Occupational Health and Safety**

To enhance occupational health and safety, especially in the face of tragic incidents such as at Engcobo, George and Ballito, there should be:

- Regular inspections;
- Severe penalties for non-compliance;
- Sharing of experiences, especially best practices, across sectors such as mining to the benefit of construction and other sectors;
- Industry-specific safety protocols;
- Involving workers in safety planning; and
- Collaborating with non-government organisations (NGOs) with expertise in health and safety.

### **Promoting Employment Equity**

Employers should utilise existing policy instruments, such as the Code of Good Practice and Technical Assistance Guidelines, to develop and implement workplace policies that eliminate discrimination and ensure equal employment opportunities for all, particularly persons with disabilities.

Providing incentives for compliance could

strengthen transformation. Addressing unconscious bias and promoting inclusive workplace cultures can also help achieve true equity.

### **Supporting Vulnerable Workers and Companies in Distress**

Vulnerable workers, especially those impacted by digital and climate change transitions, require comprehensive support systems, including:

- Social protection measures;
- Ongoing legal protection;
- Retraining programmes;
- Initiatives to transition from employment to self-employment; and
- Initiatives to formalise informal employment.

The Temporary Employer/Employee Relief Scheme (TERS), designed to provide financial support during economic downturns, must significantly enhance accessibility and effectiveness.

The definition of “worker” within the LRA should be expanded to enable greater inclusivity.

The current predetermined process for retrenchment in insolvency can leave employees vulnerable. Insolvent companies often fail to fulfil their statutory obligations regarding unemployment insurance, compensation funds and tax deductions, jeopardising workers' financial security. Implementing legislation similar to deposit protection for banks could safeguard workers' contributions from similar risks.

The taxi industry faces significant challenges related to non-compliance with labour laws. The 2008 ministerial determination to regulate the taxi industry, including drivers, marshals, and cleaners, requires renewed focus, as does the need for workers in this sector to be covered by the UIF.

### **Role of Social Partners and Nedlac**

By working together, social partners can continue to develop consensus on effective labour protection policies and ensure that South Africa's labour market continues to evolve in a way that benefits all workers.

To achieve this, Nedlac must facilitate



dialogue, monitor implementation, and support research and information sharing regarding best practices. It needs to enable continuous adaptation and involvement of relevant stakeholders.

## **4.2. Skills development**

### 4.2.1. Achievements and lessons

Significant changes have occurred in the skills policy landscape since 1994, including new legislation introducing compulsory skills levies, defining the post-school and education and training (PSET) sector, and merging TVET colleges. This has resulted in opportunities for workers to develop skills, while NSFAS has contributed to opening doors for young people even though it has administrative challenges.

These changes have not yielded the intended results. Significant challenges remain in policy coherence, skills anticipation, skill recognition, skill delivery and planning and coordination within and between government and social partners,

The skills levy system has failed to deliver optimal return on investment, and not all training institutions deliver quality training. At the same time, opportunities have been missed to leverage technology, respond to changes in the labour market, and secure international collaboration and funding. Reasonable accommodation for people with disabilities has not been addressed.

This has resulted in significant skills shortages and a mismatch between the skills needed to respond to labour market demands and the skills young South Africans need for the future. It has led to a need to import scarce skills, increasing tensions around migration.

Skilling and reskilling are also critical responses to mitigate the negative impacts of a transitioning economy. The current and future labour force must be skilled to ensure its sustainable participation in the future economy.

### 4.2.2. Recommendations

**The skills system needs to be drastically and urgently reformed** to achieve:

- Demand-led skills development, aligned

to current and future economic needs. This involves tackling the misalignment of skills-oriented outcomes and curriculum gaps;

- Greater alignment, coordination and accountability between employers, workers, skills regulatory bodies and training institutions so that there are appropriate skills training and placement opportunities for trained individuals. This involves institutional reform of the skills development system, including Setas and enhancing incentive programmes to support work placements;
- Enhanced government coordination (vertically and horizontally) and improved consultation with all skills stakeholders;
- Role clarification between post-school education and skills training institutions, including vocational training at schools, TVETS, centres of specialisation, universities and private training providers; and
- Mainstreaming and reasonable accommodation for all people with disabilities.

Other considerations for **reform** include:

- Strengthen and repurpose skills training facilities with modernised curriculums;
- Support entrepreneurship in institutions of training
- Prioritise artisan training, especially by state-owned enterprises;
- Improve the recognition of prior learning and articulation in the system;
- Address foundational learning issues, particularly literacy and digital literacy;
- Expand centres of specialisation and align these with master plan requirements;
- Improve governance of Setas and reduce their complexity;
- Consider regional dynamics when planning for skills; and
- Promote international skills exchange programmes.



In respect of **skilling for the just transition**:

- A focus on the core basic education outcomes, including digital literacy, will enable appropriate skills to be acquired;
- A glossary of skills for the future, drawing on international experience, should be developed to assist academic institutions and
- Skills to facilitate manufacturing in the energy sector, particularly variable renewable energy, should be prioritised.

### 4.3. Social protection

Social protection refers to the protection offered to workers and the unemployed, including social grants, UIF and Compensation Funds, statutory and private pension funds, and measures to protect workers impacted by the climate and digitalisation transition, such as platform workers.

#### 4.3.1. Achievements and lessons

The social grants system has been a major intervention in supporting the poor over the past 30 years. Social grant beneficiaries have increased from 2.9 million in 1994 to 16.1 million in 2012/13 and 18.6 million in 2021/22.

The introduction of the Social Relief of Distress Grant in the wake of the COVID-19 pandemic increased the reach of social grants to 27.6 million beneficiaries.

These grants have helped protect society's most vulnerable members from the worst impacts of extreme poverty, discourse about South Africa becoming a welfare state notwithstanding. The latter concerns the National Treasury of South Africa, tasked with managing the country's constrained finances.

However, given the state's weakness, especially over the last decade, the government has to mediate between the differing conceptions of social protection. It can be regarded as a burden on taxpayers or a social safety net and a source of stability without economic growth.

**Vulnerable workers**, such as domestic workers, can now claim from the UIF and Compensation Fund, but all claims are not processed speedily. Many workers still do not have pensions from their employers, which can be their only asset.

The **two-pot retirement fund system** will provide relief to indebted workers who have high debt due to the poor economic situation.

A significant problem facing regulators is **employers' non-compliance** with transferring workers' UIF and Compensation Fund contributions. The private security sector was identified as a particular delinquent in this regard. On the other hand, business organisations have been active in initiatives to improve the social protection of workers.

#### 4.3.2. Recommendations

##### **Comprehensive social security strategy**

Significant work has been done at Nedlac for 15 years on a comprehensive social security strategy, contributing significantly to a Green Paper on Comprehensive Social Security and Retirement Reform. The sixth administration withdrew this, but it must be revisited.

A comprehensive social security strategy should address issues such as giving all workers access to retirement funds, incorporating informal workers, and providing for workers who cannot be reskilled or trained due to the climate transition.





## Reforming the Unemployment Insurance Fund (UIF)

The UIF faces significant challenges, including a routinely offline IT system, corruption, understaffed offices, some overstretched employees, user-unfriendly and confusing forms and application systems, and some corrupt employers who pilfered workers' contributions and failed to transfer to the UIF.

In addition, the UIF could provide cushions for those not currently covered e.g. workers affected by climate change and the climate transition. An overhaul of the UIF policy frameworks, legislation and systems is necessary to ensure its long-term financial viability and ability to provide adequate support to all categories of unemployed workers.

### 4.4. Food security and the cost of living

#### 4.4.1. Achievements and lessons

Food insecurity in South Africa is closely related to the triple crisis of poverty, unemployment, and inequality. There is not a food shortage but a lack of income to purchase food and the commodification of food. Lack of nutritious food consumption leads to increasing levels of preventable non-communicable diseases. Climate change can make communities more vulnerable to food insecurity.

State initiatives such as the child support grant, support to subsistence farmers, land restitution,

employment creation programmes, and the school nutrition programme exist, but they are insufficient. Extreme food inflation has exacerbated the situation in the last two and a half years, and high fuel and energy prices have contributed to this.

Community and local solutions can enhance resilience against food insecurity. A lot of food is wasted. Food on shelves is held until spoiled and donated late, leading to food safety challenges.

#### 4.4.2. Recommendations

##### Government grants and support

Social grants must be accessible and sufficient. A basic income grant can address food insecurity. Availing child maintenance support for pregnant mothers can prevent stunting while pregnant and continue after the child is born.

The government should consider ways to provide food subsidies and vouchers and the availability of nutritious food sustainably. Interventions to address child malnutrition and provide access to nutritious food at an affordable price are particularly important.

##### Local food production

Local food production should be encouraged and supported so that there is less reliance on imports and can support the growth of small farmers and household food security. The

culture of subsistence food production needs to be revived where sustainable. Land restitution and agricultural support programmes for small-scale farmers must be scaled up. Proposed measures include:

- Supporting households and small farmers with training, finance, access to markets, access to land, implements, seeds, water and fencing. Financing needs to be more accessible;
- In the face of climate change and water scarcity, develop and promote water-wise and climate-smart ways to grow food, boreholes, climate-resilient crops and early warning systems
- Provide greater access to new technologies that support sustainable agricultural practices such as organic farming;
- Increase regulation of seed banking to mitigate the negative health impacts of GMOs;
- Approach traditional leaders to provide vacant land and support community food gardens;
- Skills development and promotion of backyard and rooftop farming In urban areas; and
- Support circular economies where local producers provide food to local schools, hospitals and prisons.

### **High food prices**

The cause of inflation and who makes the most profit in the food value chain need further investigation. The Competition Commission has a role in addressing monopolies in the food production value chain. Also to be addressed is the issue of lower-quality products that are sold locally while good-quality products are exported.

High fuel and electricity prices drive up food prices, and the process of diesel rebates is frustrating and costly. The government needs to review the fuel price formula, including considering the contribution of the road accident fund to the price.



### **Food wastage**

To reduce food wastage and be able to donate surplus food, steps should be taken, including:

- Speeding up legislation and regulation to enable food donations while protecting people from unsafe foods;
- Increasing the number of food banks while improving the capacity to manage and regulate them; and
- Greater collaboration between business, government and NGOs.

### **Role of Government and Social Partners**

Key departments should collaborate to redesign and better coordinate more responsive and targeted interventions. Beneficiaries should have input, and programmes should be monitored to hold implementers accountable.

Nedlac should continue to address food security issues to enable coordinated antipoverty strategies.



## 4.5 Climate change

As South Africans become increasingly exposed to the impacts of climate change, such as heat waves and floods, business as usual can't continue. Climate impacts strain basic constitutional rights like access to basic services such as water and food and affect national assets such as infrastructure.

It is urgent to tackle climate change due to its direct impacts on the economy, agriculture, water security, and infrastructure. These impacts disproportionately affect the poor and communities in at-risk areas. Further, procedural and substantive justice must be at the forefront of social and economic development decision-making.

There is an active debate about the most feasible and optimal pace and pathway to reduce the use of fossil fuels and reach carbon neutrality. Still, there is an agreement that a managed decarbonisation process is required at a pace the country can afford.

### 4.5.1. Achievements and lessons

Achievements in the sphere of climate change include:

- South Africa signed the Paris Agreement, and through its Nationally Determined Contributions and Low

Emissions Development Strategy, it has committed to a sustainable pathway to reduce emissions to net zero by 2050;

- The Jobs Summit Agreement led to the establishment of the Presidential Climate Commission;
- The development of the Just Transition concept in the 1990s by COSATU and the subsequent adoption of the Just Transition Framework by Cabinet;
- The passage of the Climate Change Bill by both houses of Parliament, and is currently awaiting the President's sign-off; and
- The removal of the 100MW licensing threshold for private power generation projects for variable renewable energy generation projects.

### **Mine and power station closures:**

The management of coal-fired powered station closures needs to be improved, considering the country's energy security and minimising job losses and impact on the community. The engagements around the decommissioning process at Komati fell short of the inclusive and participatory engagements required to embody procedural justice. Similarly, consultation and inclusivity around mine closures and rehabilitation projects are critical for mitigating the socio-economic and environmental risks associated with mine closures.





## Funding

There is limited transparency in allocating and utilising climate donor finance, and it is unclear to what extent the JETP funds have been effectively spent. The management of mine rehabilitation funding also needs to be reviewed, as there is a lack of transparency regarding available funds, and they are not proactively made available for the intended purpose.

## Carbon Border Adjustment Mechanism (CBAM):

More consideration must be given to how South Africa should respond to CBAM measures, including managing the risk of transitioning too slowly to address new international trade barriers, which could lead to job losses in the auto, iron, steel, aluminium, fertiliser and cement sectors.

## Climate disasters

Climate disasters have highlighted the importance of quality and climate-resilient infrastructure.

### 4.5.2. Recommendations

## Energy transition

While social partners differed in terms of the preferred energy mix, ownership models for the energy sector, and associated financing models (especially for grid expansion), all

partners supported significant investment programmes to build long-term energy security, which includes decarbonising the power grid, expanding transmission lines, ramping up storage, and building new generation capacity.

The following is further proposed:

- To ensure a just transition, infrastructure ownership, including generation and transmission, should not be exclusively private. Eskom needs to be able to participate directly in new energy generation, and the core management and operation of the electricity grid must be under public ownership;
- There should be community- and worker-owned renewable energy generation initiatives because of the multiple co-benefits, such as skills development, job retention and the active participation of workers and communities in the economy,
- There should be increased transparency around funding to reduce corruption;
- A review of the effectiveness of the allocated funds allocated by the Just Energy Transition Investment Plan (JETIP) should be undertaken; and
- The current Free Basic Electricity (FBE) allocation to indigent households should be comprehensively reviewed. This will

mitigate the negative impact on low-income households of the move to decentralised energy generation, which will require structural reform on electricity pricing.

### **Adapting to climate change**

The government, private sector, households, and financial sector should increase investment in and implement climate adaptation and resilience measures. This includes:

- Water and drought management solutions, especially by local government;
- Strengthening food security and climate-smart agriculture;
- Overhauling infrastructure, roads and stormwater systems so that they are more climate-resilient; and
- Strengthening disaster management and response processes.

Awareness and information dissemination are integral parts of procedural justice. Awareness campaigns on climate change impacts and health risks should target all members of society but focus on women and youth.

### **Building the green economy**

While climate change poses threats, it can also create opportunities. Industrial growth opportunities exist in the renewable energy, green hydrogen and new energy vehicle sectors. Waste picker integration at local government can lead to a circular economy in which cities are simultaneously cleaned up, and jobs are created.

### **Role of government and social partners**

Social parties must be consulted and considered in all development and implementation stages of energy transition policy. In this regard:

- Timely consultation around mine closures and power station decommissioning projects should be conducted. The aim should be to mitigate job losses and consider economic diversification opportunities; and

- There should be transparency around the allocated funds, including mine rehabilitation.

Social partners, especially workers and community involvement, are important to facilitating a climate-resilient society. To address the differentiated impact depending on age, race, gender and income, marginalised groups, women, and those with disabilities should be at the forefront.

Social partners are committed to working with the government to develop an adaptation and resilience investment plan and sustainable financing mechanisms and partnerships.

To respond effectively to climate change and the energy transition, an intergovernmental and multi-stakeholder approach is required. The role of local government is particularly important because it is responsible for disaster response, land allocation, and electricity distribution. In this regard, significant interventions are needed to build capacity and skills in local government.

## **4.6 Trade and Industrial Policy: Master Plans, Localisation, Investment, Trade, Competition, SMMEs**

### 4.6.1. Achievements and lessons

Highlights of the sixth administration include:

- Black Industrialist Programme;
- Employee Share Ownership Programme (ESOPs);
- Establishment of the Broad-Based Black Economic Empowerment (BBBEE) Presidential Council;
- Incentive in parts of the manufacturing sector such as the auto; and
- Increased professionalism of development finance institutions (DFIs) such as the Industrial Development Corporation (IDC), Small Enterprise Development Agency (SEDA) and National Empowerment Fund (NEF).

The government has provided significant funding through grants, incentives, loans, etc.

However, there have been challenges with sufficient information and clarity about how to access funds and the criteria and conditions.

### **Industrial policy and master plans**

A comprehensive review of South Africa's trade and competition policies is needed. Industrial policy challenges include:

- Insufficient emphasis on economic inclusion, transformation and black industrialisation;
- Addressing the influx of cheap online products from abroad (especially with respect to the clothing and textile industry);
- Lack of sufficient government incentives and spending on industrialisation;
- Underutilisation of technology and digitalisation; and
- The e-commerce sector, vital for youth employment, is unstructured and uncoordinated.

Master plans have been developed in many sectors, including clothing and retail, sugar, steel, agriculture, agri-processing, and furniture. They have provided for wide stakeholder involvement and inclusive consultations. However, most master plans have either failed or achieved slow progress.

Challenges experienced by the master plans included:

- Lack of co-ordination among government departments;
- Do not address SMME issues;
- Have only led to marginal job creation;
- Are not aligned with skills development plans;
- Not adequately emphasised financial inclusivity;
- Lack of regular meetings by the partners about the master plans; and
- Lack of regular review of targets to accommodate changes.

### **SMMEs**

Despite their critical role in job creation, many SMME owners remain impoverished. Reasons for this include that:

- Compliance costs for SMMEs are prohibitively high, necessitating regulatory improvements and reduced red tape;
- Business education for SMME owners, particularly in trading and export markets, is lacking, and



- Industrial policy favours big businesses and should be more inclusive of SMMEs.

#### 4.6.2. Recommendations

##### **Industrial policy and master plans**

In a reviewed industrial policy, the following should be considered:

- Targeting sectors that create jobs;
- Stronger support for buying local and the Proudly SA campaigns;
- The Competition Commission should protect strategic sectors such as clothing and textiles;
- Foster risk-taking by DFIs to drive growth and productivity;
- There should be monitoring of jobs and investments committed to;
- The establishment of an Industrial Policy Council, which can also act as an oversight body to monitor the implementation of master plans.

For master plans to be more effective, there should be:

- Alignment between the macroeconomic and microeconomic issues and alignment of master plans with the National Development Plan so that they can contribute to the country's overall socio-economic development;
- Detailed analysis utilising research and data;
- Clear short and long-term target setting and have objectives that align with the government's overall strategy;
- Include mitigating strategies to address barriers;
- Responsiveness to skills development needs;
- Flexibility to address sector-specific issues;
- Support to SMMEs;
- Embrace an all-of-government approach, including all relevant government departments, public entities and spheres; and

- All social partners must take responsibility and be held accountable for commitments.

##### **SMMEs**

For small businesses to develop, there should be:

- Formal regulation on the payment of SMMEs within 30 days;
- Easier access to funding for SMMEs, including the reduction of red tape in all spheres of government;
- Reduced tariff barriers and enhanced incentives to give SMMEs better access to local and global markets; and
- Promotion of intellectual property rights ownership of South Africans.

##### **Role of government and social partners**

There should be more public participation and the involvement of diverse stakeholders in sector master planning. Nedlac's role in reflecting and monitoring master plans should be extended.

On trade, the Nedlac Teselico subcommittee is a unique structure where social partners can provide input on trade agreements on a line-by-line basis, and this should continue.

#### **4.7. Employment Creation**

The state and the private sector are both responsible for ensuring development and fostering job creation. Infrastructure development, manufacturing, and industrialisation are critical in creating diverse and meaningful employment opportunities. The informal sector provides livelihoods to many South Africans.

Significant debates exist on the respective roles of the state and private sector and the types of partnerships between them to create jobs. This section thus focuses on proactive employment creation programmes initiated by the government, public employment schemes, and the Employment Tax Incentive in particular. The relevant sections deal with matters related to industrial policy and skills.

##### 4.7.1. Achievements and lessons

State-led infrastructure development, including fixing and maintaining broken

infrastructure, has an important role in creating long-term decent jobs. It will attract and retain private sector investment and create jobs.

Multiple programmes and initiatives have focused on creating employment or fostering an environment or economy conducive to employment and/or entrepreneurship. However, the challenges have been accessibility to some programmes, limited oversight, lack of sustainable opportunities, and lack of impact measurement.

Public employment programmes can only go so far in supporting economic inclusion. Programmes implemented through government-business partnerships have proven easier to scale up because they are demand-driven. Other initiatives, programmes, and policies need to create pathways for people beyond public employment in the wider economy.

While identified vulnerable groups have been the target of employment programmes, people over the age of 35 are often neglected, and the focus on women-only programmes might add frustrations and create tensions as black men have also been left out of the economy in SA. People also exit programmes without having learnt or trained in critical skills.

People with disabilities are often ignored, and the environment is disabling where, for example, public transport and public facilities are inaccessible. Barriers that keep young people without experience and people with disabilities out of employment should be removed.

#### 4.7.2. Recommendations

##### **Public employment schemes**

Successful programmes such as the Presidential Employment Stimulus (PES), Employment Tax Incentive (ETI), and Work Integrated Learning should be scaled up, the many initiatives consolidated and a long-term, coherent, sustainable pathway developed. A distinction must also be made between public employment programmes, social assistance, and long-term employment.

Public employment schemes should prioritise access, reach, scale, and visible impact. They may need to be redesigned and streamlined to:

- Accommodate diverse forms of work in areas that add value, such as renewable energy, recycling and waste management, and climate resilience infrastructure and aligned with labour market needs;
- Support transitions and exit pathways into permanent jobs, sustainable work and income opportunities, especially through the provision of training; and
- Improve accessibility and awareness.

Monitoring and evaluation should be prioritised to determine what works and what does not.

##### **Employment Tax Incentive**

The Employment Tax Incentive can still fulfil a vital role. Consideration should be given to reviewing the age and salary band and taking a sectoral approach to revive and support certain sectors. Tax incentives must come with measurable obligations. Other tax and government incentive schemes should emphasise supporting innovation and enterprise development. Where government incentives are given, businesses must report on the jobs created or retained.

#### **4.8. Structural reforms**

This section examines how structural reforms have been implemented in general and key reform areas in energy, transport, logistics, ICT, and water. It also discusses obstacles, particularly crime and corruption.

Organised labour indicated its opposition to privatisation, while Organised Business emphasises more public-private partnerships going forward.

##### 4.8.1. Achievements and lessons

Significant improvements have been made in basic services, water, energy, Information and Communication Technology (ICT), public-private partnerships, freight and logistics, infrastructure regulatory reforms, and investments. Access has broadened, although that does not always mean people can effectively use the services, as with electricity.

The quality of infrastructure has improved, including through private sector investment. While there was an adequate budget, over the last thirty years, it has not always been spent well or delivered the intended outcomes.

In the wake of the energy crisis, the municipal legislative assumption that user charges can fund service provision no longer holds. This is also the case with respect to water, which contributes to supply failures or municipal and bulk provider bankruptcy.

While progress has been made since the advent of democracy, more could have been achieved if policies were sound, prioritisation was better, and better implementation was implemented, especially in procurement. There has also not been sufficient speed in implementing many structural reforms, such as in the water sector.

Despite success stories, the damage caused by state capture is so great that it will take significant time for some sectors to recover.

Some structural reforms were market-related and not tailored to assist the poor. They have led to job losses and not driven social progress.. Some structural reforms have led to job loss and increased corruption.

Operation Vulindlela has implemented several positive structural reforms. One key achievement was the implementation plan to liberate the energy market and the logistics roadmap. Eskom's transmission development plan is a good step in strengthening electricity supply, as is the current turnaround underway at Transnet.

Forming social partnerships to address key issues is crucial for sustainable development. The centrality of the private sector's involvement was key in the areas of energy, freight, and logistics. Social partner collaboration and Nedlac have assisted in moving some processes forward.

Community participation is key. Without it, construction mafia groups, such as business and community forums, are likelier to initiate corruption, blackmail, and anarchy.

In respect of specific reforms:

- The government-business partnership on **digital infrastructure**, the release

of spectrum, and the migration from analogue to digital broadcasting have contributed significantly to socioeconomic advancement. However, there is still a need for affordable and fast broadband, especially for small businesses. There have been some challenges with the implementation of the analogue cut off for some households and companies, and more must be done to ensure that rural and township schools benefit from the roll-out of ICT reforms.

- While achieving **energy security** is welcomed, ongoing energy reforms must focus on ensuring Eskom's restructuring does not exacerbate affordability challenges, the stability of the energy grid and a new model for electricity distribution at local government level
- The functional integration of **public transport** does not work. Some transport reforms, like the Gautrain, did not target the poor. Investments are not made at the appropriate level with adequate commuter participation.
- Reform is urgently needed in the **water** sector. Without proper finance management, some municipalities spend their water budget on salaries.
- Investment in existing **infrastructure maintenance** is key.

#### 4.8.2. Recommendations

Structural reforms are not solely the Government's responsibility. All stakeholders should work together to achieve the intended goals. Reforms should address the concerns of all society, including the poor and the working class, and be structured to achieve broader co-benefits.

Operation Vulindlela has done well in coordinating critical issues, and it should continue its work. Going forward, the freight and logistics process should be broadened to include PRASA, and water issues. In addition, the focus should be on protecting and improving what has been done.

In respect of public-private partnerships, the following should be considered:



- Stronger community participation and ensuring benefits for communities;
- More inclusive and transparent processes with an accountability framework and regular reporting;
- Being guided by concrete evidence before making crucial decisions;
- Stronger inter-governmental co-ordination;
- Identification of the key ingredients that allowed partnerships to work so that they can be replicated;
- Measures to protect jobs; and
- Risk and consequence management.

In respect of specific areas:

- **Water delivery partnerships** are required as there is significant criminality in water delivery. Those who sabotage water infrastructure to be able to supply water tankers should be dealt with decisively. Water wastage from leaks should be contained by reporting leaks, as this is everybody's responsibility.
- **Passenger train** operations should be improved to increase the number of trains

running on time. A timeline for PRASA's return and functionality should be set.

- Serious political will and resources are needed to address the key risks of **crime and corruption**.

### **Role of government and social partners**

Social partnerships to address key reform areas should continue, with greater capacity building and knowledge sharing. Nedlac can facilitate understanding and collaboration in these partnerships.

## **4.9 Local government**

### 4.9.1. Achievements and lessons

The most important achievement in local government over the past thirty years has been the expansion of basic service delivery to areas previously underserved in the pre-1994 era. These improvements have been facilitated by a comprehensive legislative framework that formalised good governance practices in the local sphere of government. Examples include the Municipal Finance Management Act, the Municipal Systems Act and the District Development Model (DDM).

Another important achievement has been the creation of structures to facilitate

interaction between local government and communities through structures such as ward committees, community development workers, and public participation processes for Integrated Development Plans (IDPs). While the effectiveness of these structures was debated, their establishment has made local governance more inclusive and responsive to community needs.

### **Governance and human capacity**

There are deep-seated concerns about governance and administration in local government. Political interference, including manipulation of tender processes and pressure on officials to engage in unethical practices, was identified as a major obstacle to effective governance.

There has been an erosion of professionalism, a lack of qualified human capacity, and the deployment of underqualified individuals to key positions. The trend towards outsourcing municipal services and the casualisation of the workforce has contributed to the loss of institutional knowledge from the government.

There have been efforts to develop improved financial management systems, such as standardised budgeting processes, financial reporting requirements, and audit procedures. Unfortunately, compliance and implementation are ongoing challenges.

The District Development Model (DDM) has not yet delivered dividends. More intense regulation may be needed to incorporate intergovernmental relations, fiscal arrangements, assignment of powers and functions, and social compacting arrangements within the 'one plan'.

Since 1994, community involvement and activism in local governance have decreased. Public participation does not target the correct people, especially when meetings are held during the week.

### **Service delivery and the fiscal model**

There is a huge divide between the capacities of metropolitan and rural municipalities – although, in some cases, even metros are struggling due to economic difficulties.

Significant maintenance backlogs result in expensive infrastructure degradation: Service delivery failures significantly impact local businesses, particularly SMEs. This, in turn, has negative consequences for labour and harms the country's efforts to achieve long-term economic development.

The local government fiscal model which underpins service delivery is no longer viable and there should be a comprehensive review of fiscal and financing arrangements. While conditional grants were seen as a tool for directing spending, there is under expenditure and misalignment with local needs. Some municipalities pass unfunded budgets, which leads to service delivery failures and financial instability

Revenue collection is difficult in an economically depressed environment where people can't afford to pay for the services. However, even in poor communities, some people can afford to pay but refuse to, sometimes for historical reasons.

### **Security and corruption**

The challenges of security, corruption, political interference in procurement processes, criminal mafias and syndicates in local government are significant.

Government measures must be strengthened to deal with fraud, corruption, and local government procurement, supply chains, and contract management issues. It is not easy for civil servants to take a stand on corruption while whistle-blowers are inadequately protected.

#### 4.9.2. Recommendations

### **Policy, legislative and institutional reform**

Significant policy, legislative and institutional reform is required to address local government challenges. Areas to be considered include:

- Reviewing differentiation and asymmetry issues, such as whether municipal districts should cover the entire country and whether there might be some preferable administrative arrangement for low-density regions of the country to improve service delivery;



- Amending the local government electoral act provisions to allow more efficient nomination of appropriate ward councillors and uninfluenced by political party choices;
- Rethinking the fiscal model of local government, including reassessing the equitable share formula and exploring alternative revenue sources;
- Clarifying the relationship between the National Treasury and COGTA;
- A more robust system to combat corruption, including enhanced protection for whistleblowers and the establishment of independent anti-corruption units;
- Employing people with the correct skills and capacity and appointing quality service providers; and
- Reviewing the Intergovernmental and coordination system, including concurrent and exclusive functions across and between the spheres of government.

### **Community and business participation**

The capacity of community structures to participate in local government can be improved. This can address public apathy and improve relationships between municipalities and constituents. This could be done by:

- Institutionalising and building capacity of ward committees;
- Training community members at the local level so that they are empowered to hold local government to account and
- Increased use of tools and technologies that facilitate public participation.

For local government to improve service delivery and create an enabling environment for local businesses, the following can be considered:

- Sustainable approaches to infrastructure maintenance.
- Alternative service delivery models, including investigating socially owned renewable energy projects and leveraging public-private-community partnerships.
- Public awareness campaigns aimed at

increasing payment for services like the Masakhane Campaign.

To solve the problem of organised crime, increased trust between communities and law enforcement is necessary. A comprehensive, multi-stakeholder approach to addressing security issues was suggested.

### **The role of social partners and Nedlac**

While Nedlac has not traditionally played a role in local government, Nedlac has the potential to bring together diverse stakeholders and facilitate dialogue between local government and social partners. It is well-positioned to help improve oversight and accountability and push for beneficial local government reforms at the local level.

### **4.10. Capacity of the state**

#### 4.10.1. Achievements and lessons

Amalgamating the fragmented administrations of the apartheid era and transforming the orientation and demographics of the public administration was a major achievement. In the first decade or so of democracy, South Africa built some globally recognised public institutions.

The years of state capture and the broader systemic problems of corruption have undermined public trust in democratic institutions and limited the country's ability to meet development goals – in routine service delivery, the provision of public infrastructure, and programmes for addressing low growth, unemployment, and inequality.

A lack of policy certainty and adherence undermined state capacity in some sectors. Coordination between different spheres of government is weak: for example, the national government has given renewed impetus to industrial parks, but these receive little support from provincial and municipal governments. In addition, decades of outsourcing policy development and technical and professional functions to external service providers have reduced state capacity,

Funding cuts to government departments involved in essential services and front-line service delivery, as well as to state-owned

entities, have contributed to weakened state capacity. This also contributes to the seemingly poor work ethic and lack of public service culture. For example, nurses are construed as rude, yet they work with insufficient medical supplies and resources for patient care.

South Africa has instituted many good performance improvement initiatives on paper, yet execution is often poor. For example, while a performance monitoring system was introduced for government, it has tended to focus on narrow 'output' indicators rather than functioning as an incentive for supporting delivery. While the burden of reporting has increased in government, accountability has not.

Political overreach has affected the administration, with political leaders inappropriately involved in operational matters of departments or entities. This has facilitated corruption and captured and disempowered their departments' senior managers.

The Batho Pele ideal should be actively supported through institutional change to produce an impartial yet developmentally orientated public service culture.

There are some important foundations to build the state's capacity and enhance the professionalisation of the public sector, including recent initiatives spearheaded under the National Framework of the Professionalisation of the Public Sector and the rebuilding of anti-corruption institutions.

Furthermore, there are pockets of excellence in the public sector—sometimes across an entire institution, sometimes within a programme or unit. The newly established labour centres were an example provided. These should be publicised and celebrated to rebuild public trust in state institutions.

#### 4.10.2. Recommendations

##### **Modernisation and professionalisation of the public service**

There should be a review of the structures of the Public Service to bring both the design and practice of management and service delivery capability into a more effective and efficient

system for delivering outputs and outcomes to improve service delivery.

Capacity-building efforts should consider how resources, systems, and architecture combine to facilitate or constrain people's work. This approach should consider, inter alia, how to reduce the compliance and reporting burden within state organisations, address perverse incentives created by the performance management system (easy-to-reach target setting), and ensure the public procurement and personnel systems are user-friendly from the perspective of public sector managers and end-user departments.

Across all three spheres, senior management's qualifications, competencies, and organisational leadership capabilities must be evaluated. Individual managers' capacities must be enhanced through skills development, leadership and strategic management programmes, and clear performance management—including consequence management.

The state has favoured recruitment from the 'intellectual' and social science fields for various reasons. While these skills are important, the state should increase recruitment and training for more operationally inclined work—project managers, engineers, team managers, etc.

The policy-making architecture and processes should be revitalised to ensure policy and law development and facilitate robust stakeholder engagement. A framework should also be established to build internal capacity and reduce reliance on consulting services and outsourcing, especially for policy making.

The current processes for resolving disputes and addressing discipline are inefficient and costly. This should be managed fairly but with a more efficient use of state resources. To improve the political-administrative interface, a clearer distinction of roles, as set out in the National Framework for Professionalising the Public Sector, is needed.

Setting up and integrating digital infrastructure (with internal capacity to manage this) should be a major priority. This can:

- Enhance transparency in areas such as public procurement;
- Enhance personnel management across government;
- Improve social services (e.g. in public health – patients’ medical history and prescription medicines should be accessible on an integrated database to enable patients to access services and medicines more efficiently); and
- Support the state in its monitoring and regulatory functions.

### **Allocation of resources and managing fiscal constraints**

The state’s mechanisms for dealing with fiscal constraints are blunt. A more sophisticated analysis and differentiated framework for managing fiscal constraints to ensure state capacity in social services and local government are not affected is needed.

The state administration is ‘top-heavy’ with too many officials in national-level departments in policy and monitoring functions and inadequate resourcing of local government, programme delivery, and front-line staffing.

Instead of reducing the number of employees in the whole state, better staff-to-population ratios are needed in the basic service portfolios (health, education, and police, for example). The organisational transformations necessary for performance efficiency and effectiveness must also be addressed.

There should be a dedicated focus on capacity-building efforts that can be directly linked to enhancing growth and state revenue—including, for example, institutions, policy, and resources for public infrastructure, enhancing revenue collection, and stemming the loss of revenue via illicit financial flows.

### **Reform of state-owned entities (SOEs)**

The governance of SOEs must be improved. SOEs should have a clear, not overburdened, policy mandate with an appropriate, sustainable funding model for this mandate.

The years of infrastructure neglect (particularly the network industries) should be addressed.

However, there was a debate about the role of the private sector in entering into PPPs or concessions.

### **Coalition governments**

Mechanisms to support stability in the coalition government, especially at the local government level, should be carefully introduced.

## **5. THE ROLE OF NEDLAC AND SOCIAL DIALOGUE**

**This process has highlighted Nedlac’s role in social dialogue and policy-making. Social partners have also stepped up to collaborate with the government in certain areas, and this document sets out several priority areas for ongoing partnerships.**

Social partners recognise the critical role that Nedlac plays in facilitating dialogue and shaping labour and other policies. This enhances the state’s ability to meet its social and economic goals. To ensure Nedlac’s effectiveness in the future, its independence must be safeguarded.

Going forward, Nedlac should:

- Continue to provide an inclusive platform for **dialogue** where the voices of all stakeholders are heard and considered;
- Establish mechanisms to **monitor and evaluate** the implementation of laws and policies. This includes tracking progress, identifying gaps, and recommending corrective actions.
- Conduct **research and collect data** to inform policy decisions and track progress. An evidence-based approach ensures that policies are grounded in reality
- Share **best practices** and successful case studies.

Nedlac should also partner with the Department of Planning, Monitoring and Evaluation (DPME) to implement some of the above. Social partnership in Nedlac can be further developed at a sectoral and provincial level.



**the dpme**

Department:  
Planning, Monitoring and Evaluation  
REPUBLIC OF SOUTH AFRICA



**National Economic  
Development and  
Labour Council**