

**International Labour and Employment Relations
Association: 9th African Congress**

27.09.2021, Skukuza South Africa

***Theme: “Challenges facing Employment Relations,
Labour Law and Social Protection to reduce poverty,
inequality and unemployment in Africa, in the Wake
of a Global Pandemic”***

Keynote Address: TW Nxesi MP, Minister of
Employment and Labour, Republic of South Africa

Protocol:

, a warm South

African welcome, to the beautiful province of
Mpumalanga,

- Chairperson and Past-President, Prof Evance Kalula
- ILERA President: Harry Katz

- The LERASA President: Frikkie de Bruin
- ILO Regional Director, Ms. Cynthia Samuel-Olonjuwon
- Executive Director of Business Africa, Jacqueline Mugo
- Executive Secretary of the Southern African Trade Union Coordinating Council (SATUCC), Cde Mavis Koogotsitse
- Members of the Scientific Committee and Organising Committee of the Congress
- Officers and Members of ILERA and LERASA
- Scholars and delegates from across the African continent
- Invited guests and speakers
- Ladies and gentlemen

Greetings and welcome to South Africa – whether physically or virtually. Let me first thank the Local Organising Committee of the International Labour and Employment Relations Association: African chapter - for inviting me to participate in this important event: the

ILERA 9th African Congress – where labour and employment relations stakeholders, practitioners and experts from Africa meet to exchange ideas and best practice.

As member of Education Labour Relations Council, during my SADTU days, I had pleasure of attending ILERA World and Regional congresses, which broadened our knowledge of international trends in employment relations and issues facing world of work.

As the theme for the conference reflects, we meet in the shadow of the global Covid19 pandemic – which has impacted mightily on our people, our societies and our systems and structures of social protection, employment relations and the nature of social dialogue. So the theme of this Congress is both timely and highly relevant to the challenges facing all of us.

In South Africa over 86,000 cases of death by Covid have been reported (by some calculations the total has

been much higher) with nearly 3 million infected. In Africa as a whole: there are over 143,000 reported deaths and nearly 6 million reported cases of infection.

The pandemic and subsequent lockdowns to prevent the spread of the disease also brought economic devastation in its wake: in the first year of the pandemic, South Africa experienced a 7% decline in economic activity, wiping out some 1.4 million jobs. The economic costs also placed pressure on government budgets, in some cases, leading to spending cuts – in the process also placing strain on relations with public sector unions. Also further weakening trade unions and collective bargaining.

So allow me to speak about what I know, and share with you our experiences in South Africa in responding to the pandemic and accompanying economic challenges.

Dial back to the Declaration of a State of Disaster by President Ramaphosa on 15 March 2020 and the

subsequent level 5 lockdown from 26 March to curb the spread of the virus. It was immediately clear that it could not be business as usual for the Department of Employment and Labour (DEL) and its entities. The DEL family had to step up to address issues of:

- health and safety in the workplace,
- support for struggling companies and laid-off workers,
- increased closures and retrenchment notices, and all of this in a period of reduced budgets.
- As government got a grip on the pandemic, it also looked to develop strategies to rebuild the economy.

Regarding Social dialogue

Let me flag the importance of social dialogue in facilitating an all-of-society response to the Covid 19 pandemic. This requires established structures and processes to bring social partners together – in our case Nedlac (National Economic Development and Labour Council) which rests on the traditional ILO-style tripartite arrangement of Labour, Business and Government - to

which we have also added a fourth component – representatives of Community Organisations.

So, Nedlac was critical in providing a swift and unified response to the pandemic and the subsequent lockdowns across a number of areas:

- Agreeing health and safety regulations to protect employees and clients across all places of work covering Covid protocols - hygiene, wearing of masks, social distancing, and more recently employers and labour working together to roll out vaccinations in the workplace). The statistics indicate that, so far, infection rates have been lower in workplaces than in communities generally.
- I need to also flag the work of the Labour Inspectors from the side of the Department of Employment and Labour – helping to draft the new Covid protocols and regulations; on the front line inspecting and enforcing the new regulations as well as existing Health and Safety Regulations. They carried out some 31,000 inspections last year, as well as appointing and

training an additional 500 Health and Safety Inspectors. This will allow us to increase the number of inspections four-fold in the current financial year.

- The parties to Nedlac also came together to agree on forms of income support for struggling businesses and laid-off workers. Funded by the Unemployment Insurance Fund (UIF), the Covid-19 Ters (Temporary Employer/Employee Relief Scheme) benefit started paying out from April 2020. As at 31 March 2021, payments were made to 267,000 employers and to 5.4 million individual employees at a cost of R58.7 billion – providing support to laid-off workers, their families and communities across the country.

Regarding Social Protection

- The role of the Unemployment Insurance Fund has been central in providing social protection to laid-off workers. This required major operational changes to the Fund when the Auditor-General found systemic weaknesses requiring strengthened controls, and investigation of fraud and corruption.

- We were protected against fraud and corruption by the UIF's 'Follow the Money' strategy to audit all employers that received Covid-19 Ters funding. The auditors traced R228 million that was fraudulently claimed by employers. The lesson was learnt, and subsequently every effort was made to pay income support directly to the workers themselves.
- The Compensation Fund – to support workers injured or contracting diseases at work, and the licensed mutual assurance companies, have paid for medical treatment and replacement of lost income for 12,500 claims over financial year 2020/21. These bodies have also set aside R1.3 billion to fund vaccines for some 3 million uninsured workers and Compensation Fund pensioners.
- I need to mention that the pandemic and lockdown also exposed serious holes in South Africa's social protection safety net – particularly in the informal sector, platform work, and precarious work generally. Nedlac is seized with addressing this challenge. In the meantime the payment of Covid19 Ters benefits was extended to laid-off workers who were not contributing

to UIF on condition that their employers subsequently became compliant. Meantime, government introduced a social grant to assist unemployed adults. By the beginning of this month some 13 million applications had been received. This figure certainly includes duplicates and fraudulent claims – which will have to be carefully scrutinised. But the decision has already been taken to extend the grant into 2022 – and the signs are that this may become the basis of something like a Basic Income Grant.

Economic recovery: fighting poverty, inequality and unemployment

- In the second half of 2020, government increased its focus and resources towards national economic recovery.
- NEDLAC also facilitated input by the social partners into government's Economic Reconstruction and Recovery Plan (ERRP) announced by the President in October 2020, which included the successful expansion of public employment programmes – most

notably the employment of 300,000 teaching assistants, demand-led training and the identification of priority job-creating sectors for support, as well as strategies for job preservation. The focus for 2021/22 will be on expanding and implementing the ERRP.

- As part of the reconfiguration of my Department to give effect to the additional employment mandate, the Labour Activation Programmes, funded by the UIF, were refocused to contribute directly to job creation and preservation. Despite the disruptions in 2020, over 70,000 youths benefited from the LAPs work opportunities.
- The UIF will strengthen the normal Employer/Employee Relief Scheme (TERS) to give relief to struggling businesses to save jobs. Typically, businesses that have notified the CCMA (Council for Conciliation, Mediation and Arbitration) of their intention to retrench, would then be invited to apply for support from the UIF normal TERS, and where approved, referred to Productivity SA to develop sustainable business strategies. From 2020/21, the

UIF has invested R104 million to assist distressed businesses.

- The CCMA has recorded an unprecedented number of referrals of Section 189A (retrenchment) matters. The processes facilitated by the CCMA in 2020/21 resulted in 42% of notified at-risk jobs being saved: some 58,000 jobs.
- Despite the cost of Covid19 Ters benefits in the last year, the UIF has set aside a total budget of R2.4 billion for the LAP programmes.
- In 2020/21, under the normal TERS programme, Productivity SA supported 25 companies directly saving 3,000 jobs. In the light of South Africa's recorded decline in productivity and competitiveness, Productivity SA is strategically positioned to deliver with focused support for formal and informal SMMEs, start-ups and cooperatives. This in turn supports the Economic Reconstruction and Recovery Plan.
- Meanwhile, the Compensation Fund has committed 10% of its investment portfolio towards growth and job creation: some R7 billion.

- During 2020/21, the Department's Public Employment Services (PES) worked with the Presidency to coordinate the Pathway Network Management programme which brings together nationally, work, learning and job opportunities for youth, made easily accessible on a digital platform. This requires the kind of 'joined up government' the President refers to. Relevant departments and agencies signed up to a Memorandum of Understanding. During 2020/21, 436,000 youths (not in employment, education or training – 'NEETs') were supported, with 170,000 placed into various work opportunities through the wider pathway management network.
- Central to our employment strategy is the need to close the skills gaps. Part of this references the new demands of the 4IR (Fourth industrial Revolution). So there will be a greater emphasis on digital literacy skills, demand-led skills training generally, as well as entrepreneurial skills. To this end my Department is collaborating with the Departments of Higher Education, Science and Innovation, and Communication and Digital Technology.

New priorities, new ways of working

Reduced budgets and increased responsibilities emanating from the health and safety, income support requirements, and economic impacts of the pandemic and lockdowns, have forced government, including my Department and its entities, to rapidly reprioritise its use of resources and develop new ways of working. Savings on travel and accommodation, were matched by increasing costs of IT and related devices. To meet pandemic protocols, services increasingly were provided on-line.

Decent Work and Labour Law

- The new employment mandate in no way diminishes traditional mandate of the Department of Labour: to set the conditions for decent work and enforce these regulations.
- A comprehensive review on the impact of implementation of the National Minimum Wage was published earlier this year, together with a review of

the amount paid, including extending the current NMW to farmworkers, with a commitment to further extend this to domestic workers. Whilst this is not a Living Wage, it has already benefited millions of workers, and it provides a foundation for future improvements.

- Several legislative amendments are being finalised by Parliament for enactment in the current year. These include: the COID Amendment Bill, which will be extended to cover domestic workers, as well as the Employment Equity Amendment Bill, which is being strengthened after years of minimal compliance. The amendments will allow us to set sector targets – for blacks, women and people with disabilities, and non-compliant businesses will be excluded from doing business with the State.
- ILO Convention 190: - ‘Eradication of Violence and Harassment in the Workplace’ – was presented to Parliament, and has now been ratified. My Department has developed an accompanying ‘Draft Code of Good Practice’ which has been published for public comment.

- In line with the “Employment” mandate, we have drafted a National Employment Policy, which includes a National Migrant Labour Policy to be consulted for finalisation in the current financial year (In this we were greatly assisted by Professor Olivier, who I see appears on your programme.). This is all the more important in the present fast changing environment of climate change, energy challenges, labour migration and the onset of the Fourth Industrial Revolution.

Concluding remarks

Let me conclude by congratulating the organisers on the breadth and depth of the programme – focused on the challenges we all face and living up to the promise of the theme: “Challenges facing Employment Relations, Labour Law and Social Protection to reduce poverty, inequality and unemployment in Africa, in the Wake of a Global Pandemic”.

I look forward to receiving the Congress report, and copies of the papers to be delivered. I wish you well in your deliberations. Thank you.