

**Community Constituency address to the 13th Annual NEDLAC Summit  
by Elroy Paulus  
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Programme Director  
Honourable President Kgalema Motlanthe  
Minister of Labour Membathisi Mdladlana  
Honourable Ministers,  
Government Officials,  
NEDLAC Executive Director, Herbert Mkhize,  
Leaders from all the NEDLAC constituencies,  
Distinguished guests,  
Ladies and Gentlemen,

I am deeply honoured to address this important summit on behalf of the Community Constituency.

Social dialogue remains a critical instrument to bring about participatory policy changes, to address the plethora of inherited and emerging challenges in our young democracy. As recently as a week ago, a capacity building workshop by the NEDLAC Community Constituency confirmed the extent to which social dialogue at NEDLAC must continue to be the “heart and pulse of socio-economic policy formulation in our country” – quoting Minister Mdladlana in his 2006 Address of the 11<sup>th</sup> NEDLAC Summit.

The nature and dimensions of these challenges have changed markedly since Nedlac was established. . In the "Towards a 15 year Review" report, emphasis was placed on the fact that government has made many gains, but that the challenges remain – and if left unattended will erode the gains made.

We are heartened to see a new vigour and commitment to genuine participation in policy formulation by SOME government departments. However, as the Community Constituency, we have for a LONG time been too tolerant of some government departments choosing NOT to, engage at all or to selectively, engage, with NEDLAC. This commitment must be accelerated and those departments which fail to honour the NEDLAC Act must be seriously dealt with. Failure to engage often leads to alienation which we cannot afford.

In the attempt to improve access to much needed services from government; to ensure that business practices remain ethical and do not exploit workers and their families, especially in these challenging financial times, these shortcomings by some government departments are expensive – not only financially, but also in terms of ownership by communities and other constituencies; economic and social opportunities are lost and flawed policies are formulated behind closed doors rather than by active debate and negotiation.

To ensure that Nedlac remains relevant as a social dialogue forum, the Community Constituency believes that issues must be addressed in the Chambers, and not Task Teams. Early notification of plans and policy directives, if shared timeously within NEDLAC, will prevent the often problematic rush and tabling of policy with inadequate consultation, which has recently seen some proposed legislation returned by Parliament.

In the spirit of Batho Pele, and with a deeper understanding that government cannot solve all the country's challenges, we are heartened that initiatives such as the Anti-Poverty Strategy Discussion document now reflects more accurately inputs from the Community Constituency.

Access to health, water, sanitation, housing and food remain huge challenges that require the social partners to use Nedlac more effectively in the fight to eradicate poverty and create decent jobs.

It is frustrating to the Community Constituency that discussions on the National Poverty Measure have been stuck in Nedlac for months. Labour, Community and Business representatives are anxiously awaiting feedback from the government, in particular the national treasury. Essentially, there's been an ideological disagreement. Civil society and labour insist interventions to address poverty must consider the beast's multi-dimensional nature. But the Treasury and Statistics South Africa appear to be leaning towards an income-only-based measure of poverty.

Therefore, it is encouraging to see that the multi-dimensional nature of poverty has indeed been recognised in the government's draft anti-poverty strategy discussion document, and the strategy's framework is anchored around eight so-called "pillars". The strategy document states: "In line with the adoption of a multi-dimensional nature (definition) of poverty", the anti-poverty framework must be anchored on pillars that help to "locate the roles of government, the private sector and society at large in addressing the different dimensions of poverty". It also reflects the inter-related and inter-dependent roles of these in addressing poverty.

However, we must engage Government further on the details of the strategy.

- Surely it is imperative that any labour-intensive work should have agreed on norms and standards so it doesn't open up opportunities to exploit people as cheap labour?
- Surely, as we commit to providing income security through safety nets for the most vulnerable, primarily through social grants, our definition of "the most vulnerable" cannot continue to exclude the unemployed and working poor and other vulnerable citizens from receiving social protection?
- Surely, we must remember that our current social security system is based on the projected needs of a country with acceptable levels of employment and growth. It was designed to only provide support for traditionally vulnerable groups - the very young, old, disabled and those who have worked in the formal sector and are temporarily unemployed. The system was constructed during apartheid to serve the needs of a relatively well-off minority. Therefore, it is crucial to see the current gaps in the social security system as a consequence of our past. We cannot afford to tinker just with the existing framework in response to the manifestations of the crisis of poverty, as this would be a completely inadequate response to the needs - and constitutional rights - of all South Africans.
- Surely, despite the government's enormous strides in rolling out social grants, there remain major, critical gaps in the system. For example, there is no social protection for 15- to 18-year-olds who are still at school. There is nothing either for the unemployed, working poor or chronically ill.
- Surely, introducing a comprehensive social security system must surely be one of the most crucial strategies in our fight against poverty, particularly because of the extent and nature of structural unemployment in South Africa. After all, social security remains one of the sharpest social policy tools available to address unsustainably high levels of poverty and inequality.

And it must be governed by certain fundamental principles if we are to heal our deeply divided nation and find greater social cohesion. Firstly, our social security system needs to be rights-based in accordance with our Constitution. It also needs to be universal. Everyone should be able to access social assistance when they need it. Currently, the undignified, cumbersome and discretionary "means testing" that applies to social grants often leads to unintended or incorrect exclusion or fraudulent behaviour.

Our social security system should also demonstrate greater social solidarity. It should provide protection for everyone by allowing for maximum cross-subsidisation (redistribution) from the rich to the poor, the healthy to the ill, the employed to the unemployed, and so on.

Finally, it needs to be transparent and democratically governed. The policies, administration and implementation should be fully transparent and accountable to democratic structures in which organs of civil society participate.

One of the respondents at the launch of the Anti-Poverty Strategy discussion document was Professor Ravi Kanbur, a respected economist at Cornell University. He pointed out that there is often a "disconnect with what is measured by government, and what is felt on the ground".

Therefore, it is critical for the government to engage the informal sector, the marginalised and working poor more directly, and bring the fight against poverty into the centre of public life in South Africa.

Now, more than ever, the precious resources, skills and people power we have in South Africa to address this challenge must be employed with greater diligence, accountability and value for money. Above all, putting people first must dominate the agenda of our government. Failure to do this may have dire consequences that would take a very long time to undo.

- And as Government moves towards our 4th democratic elections, we look forward as civil society to better co-ordination that will result in better delivery to our people, all of our people.
  - We support the proposal of a national Planning Commission to which the Treasury is sub-ordinate;
  - We support the speedy extension of services to all our people, noting that only 48% of poor people can access these free basic services because they lack the infrastructure to access them
  - We support Government intervention in high food prices through rigorous application of Competition laws and Government supplying basic foods at cost to targeted group, including workers and the poor

Poverty and dealing with poverty occupies much of our discussion time in the Community Constituency. All of our efforts, both within our separate federations and organisations and in the Constituency as a whole, we are gearing all our activities towards eradicating poverty and building communities. At the Community constituency workshop last week, many proposals requiring Nedlac attention emerged, Let me share a few of these with you in order to demonstrate the urgency and fervour with which social dialogue and participation in policy formulation must continue.

The National Co-operatives Association (NCASA), while committing itself to working with cooperatives towards build an Apex organisation, raised the need to engage with the dti in order to prevent companies from registering as cooperatives to avoid tax. They will also work with Government to simplify the Co-operatives registration process and to promote cooperatives as a mechanism to help bring about socio-economic development. In these very turbulent economic times, largely brought about by reckless conduct in the global financial sector, workers in South

Africa will lose jobs, families will lose breadwinners. Co-operatives, both production and consumer co-ops, must be part of our national strategy to weather the global storm.

The Community Constituency follows the Disabled People South Africa (DPSA) rallying call "Nothing about us, without us!" The DPSA and the rest of the Community Constituency are of the view that much more attention needs to be paid to employment equity issues. In particular, we must address the long-outstanding issue of accessible public transport to places of work and the matter of EPWP opportunities for people living with disabilities. They also called for, amongst other special emphasis on education; with major emphasis on Deaf Education.

The Women's National Coalition (WNC) focussed on teenage pregnancy and family stability and that general Voter Education – for women in particular – must be prioritized. For women, they also highlighted the importance of EPWP's; sanitation and water provision, amongst other.

SANCO wants Nedlac to take a more pro-active role in ensuring building the capacity of its constituents. The Organisation points out that only when Constituency members themselves have the capacity to engage effectively in the Council can they effectively present the views of the civil society groups they represent.

The Financial Sector Campaign Coalition (FSCC) held its annual conference and AGM in October and decided on a programme of action for the coming year. The AGM noted that the FSCC is deeply disappointed that the enormous amount of time and energy put into the Financial Sector Charter by the Nedlac Community and Labour constituencies over the past six years, as part of implementing the Nedlac 2002 Financial Sector Summit agreements, has ended in the collapse of the Charter with its failure to be gazetted as a Sector Code in terms of the Broad-Based Black Economic Empowerment Act.

Going forward, the FSCC will focus less on transforming the commercial financial sector and more on building the community and labour-based co-operative sector - "Less about changing theirs and more about building ours". We will build financial co-operatives, including Co-operative Banks in which workers and community members can save together and invest in projects that will serve the very same workers and the communities in which they live.

These initiatives will be based on the successful traditional and sustainable stokvels and burial societies that our people developed when they were neglected by the banks and other financial institutions during the Apartheid era. These co-operatives will now be formed or converted into legal, regulated entities in terms of the Co-operatives Act and Co-operative Banks Act, which grew out of the Nedlac policy processes following the Financial Sector Summit.

While building co-operative alternatives, we also need to ensure the commercial financial sector makes a meaningful contribution to building our society. If this cannot be done through voluntary, non-prescriptive initiatives like sector charters, we must resuscitate our plans to require community reinvestment through legislation and regulation. In light of the failure of the Financial Sector Charter to be gazetted as a Sector Code, we will return to the Community Reinvestment Bill, which was withdrawn from parliament after lobbying by Business, in favour of the Charter. This will be the other FSCC priority in the coming year.

The Community Constituency highlighted the need for engaging in all Chambers. For several years, it has been problematic that the Community Constituency cannot engage in chambers where their direct constituencies are involved. We again call for a review of NEDLAC as a whole and the Nedlac Act to ensure that Nedlac remains relevant and that appropriate amendments are put in place to strengthen real participation.

Thank you