
ADDRESS BY:
THE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA, HONOURABLE
MR. JACOB ZUMA
AT THE 14TH NEDLAC ANNUAL SUMMIT

12 SEPTEMBER 2009
BIRCHWOOD CONFERENCE CENTRE
KEMPTON PARK, JOHANNESBURG

Programme Director,
Acting Minister of Labour, Richard Baloyi,
Other Ministers present,
Leaders from all the NEDLAC constituencies,
NEDLAC Executive Director, Herbert Mkhize,
Senior Government Officials,
Distinguished guests,

It is a pleasure for me to be here today to address the 14th Annual NEDLAC summit.

Our message for the next five years, "*Working together we can do More*", encapsulates our attitude towards partnerships and social dialogue.

This government will not govern alone; it will be a collective effort. We will continue to seek the active participation of all our partners and all our people.

We entered the fourth term of our democratic government in an environment of a global economic crisis affecting every region of the world.

Although it took a bit longer before affecting South Africa, the economic crisis has bitten deep. The growing job losses during this year and rising indebtedness have made it clear that the effects of the crisis have hit hardest at the poor and vulnerable, thereby deepening poverty and inequality.

We thank Nedlac for the support that it has provided for the implementation of the Framework Response to the Economic Crisis agreed to at the Presidential Joint Economic Working Group in February.

We also thank those in our social partnership who have contributed to alleviating the plight of vulnerable workers, businesses and the poor in these difficult times.

There are signs of improvement in economic activity suggesting that the South African economy may join the global recovery.

Nevertheless, current forecasts of growth in the South African Gross Domestic Product for the period 2009 to 2014 put the average annual rate much lower than the average for the previous five years, 2004 to 2009.

Lower growth poses substantial challenges for trade and industry, employment and training, income distribution and social security.

But we will have to rise to the challenge and seek opportunities to speed up the recovery and lay the basis for a more equitable long-term growth and development path.

Stronger social dialogue, underpinned by a sense of cooperation and responsibility, will also be important if we are to avoid a situation where the recovery ends up being "business as usual." We need to find new ways of doing things.

Developing strategies for decent work and poverty reduction will involve difficult choices in the current economic context. Dealing with the issue of temporary employment services, or labour brokers, and prohibiting abusive practices in the labour market will also test our tradition of social dialogue.

In moving forward in anticipation of an economic recovery, government will have to play a critical role. At the core of our efforts, will be the focus on building a developmental state with the strategic, political, administrative and technical capacity to give leadership.

The Presidency recently released a green paper on national strategic planning and a policy paper on improving government performance.

These are important steps towards building a developmental state that works better for South Africa. In the planning processes we will seek the engagement of social partners, especially in developing our long term vision for South Africa. Our performance monitoring system will also work better if social partners support it.

The recently launched Medium Term Strategic Framework (MTSF) for 2009 to 2014 signals the focus for government's efforts in the current period. The main thrust at present continues to be to minimise the impact of the economic downturn on the country's productive capacity.

Our first strategic priority, however, is to speed up growth and transform the economy to create decent work and sustainable livelihoods.

The key elements that we will focus on will be the following:

- To maintain a stable pro-employment macroeconomic environment;
- Implement trade and industrial policies to create decent work on a large scale;
- Undertake interventions to create a more inclusive economy, by expanding opportunities for the poor to access the labour market and broadening the impact of growth;
- Strengthening competitiveness and promotion of small and medium-sized enterprises (SMEs) and co-operatives, and;
- Ensuring that the country keeps up with global technological trends and fully exploits our comparative advantages, including usage of information communication technologies.

While it is clear that all priorities should receive urgent attention, we indicated in the MTSF that it may be necessary to phase them in and sequence their implementation taking into account the availability of resources.

During the mandate period, the areas of fastest expenditure growth will include economic services and expenditure on social security. About 13 million people currently receive social grants from the State.

As the International Labour Organisation (ILO) points out, if all countries stimulate their domestic activity, primarily through employment and social protection, global growth and trade will recover ¹. We are on the right track.

Our Medium Term Strategic Framework is consistent with this approach.

Central to our approach is also the recognition of the enormous responsibility on all social partners to contribute to effective social dialogue.

The Framework Response to the Economic Crisis has been a focus for social dialogue during this year. This initiative has been commended internationally for bringing together social partners in forging a common response. It has been held up as an example of how countries can respond to difficult challenges, through social dialogue.

The challenge that remains is that of moving to implement the measures that have been agreed to between the social partners.

A partnership approach will be needed to deal with the inevitable difficulties that face the implementation of new schemes such as the training layoff.

In this regard, we need to take our tradition of social dialogue a step further. For social dialogue to really contribute and play a positive role in growth and development, we need to move beyond social dialogue as an end in itself. Words must be matched by deeds.

¹ Report of the Director-General, *Tackling the global jobs crisis – recovery through decent work policies*. Page 13, ILO, 98th Session, Geneva, 2009.

And both the dialogue and partnership in action must be underpinned by shared values and a strong sense of social responsibility.

Social dialogue has been less successful in the collective bargaining arena during the year.

The conflicts between management and labour in many sectors have been protracted and tense

The behaviour of municipal workers and others, including most recently the actions of members of the South African National Defence Force, have clearly pointed to a lack of social responsibility when exercising one's right to strike and protest. The failure to respect the laws of the land, and the rights of others enshrined in the Constitution, points to a serious problem that we must urgently address as government, as we have done, through law enforcement.

However, a long-term solution is a serious dialogue within society about common values, basic principles and general rules of engagement when people express their disagreement or displeasure publicly.

If we do not do this, we may find ourselves tolerating wanton lawlessness in this country. The labour relations conflicts we witnessed this year will require both employers and workers to revisit their interaction and their style of collective bargaining. This of course excludes the military which is governed by its own regulations and protocols. Compatriots, to deal with the many challenges that lie ahead will require us all to re-commit to social dialogue.

None of our challenges are insurmountable, especially if we work together as social partners. Let me reiterate that this government will be interactive and accessible, and has to be responsive. That is why we are focusing on performance monitoring and evaluation, as well as on citizen care and liaison. That is why we also emphasise social dialogue.

Let me take this opportunity to thank you once again for your efforts during the year and wish you well for the year ahead.

Working together we can indeed do much more!

I thank you!