



DRAFT SOUTH AFRICA DECENT WORK COUNTRY PROGRAMME

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ACROYNMS AND ABBREVIATIONS

ANC	African National Congress
AIDS	Acquired Immune Deficiency Syndrome
ASGISA	Accelerated Shared Growth Initiative of South Africa
BUSA	Business Unity South Africa
CCMA	Commission on Conciliation, Mediation and Arbitration
CIDA	Canadian International Development Agency
COSATU	Congress of South African Trade Unions
DFID	Department for International Development
DPSA	Disabled People of South Africa
DWCP	Decent Work Country Programme
EPWP	Expanded Public Works Programme
FAO	Food and Agriculture Organization
FSCC	Financial Sector Campaigning Coalition
GDP	Gross Domestic Product
GNP	Gross National Product
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
KAB	Know About Your Business
ILO	International Labour Organization
IOM	International Organization of Migration
NACTU	National Council of Trade Unions
NCASA	National Cooperatives Association of South Africa
NEDLAC	National Economic Development and Labour Council
NRF	National Response Framework
OHS	Occupational Health and Safety
POA	Programme of Action
SABCOHA	South African Business Coalition Against HIV/AIDS
SACCOLA	South African Consultative Committee on Labour Affairs
SAYC	South African Youth Council
SANCO	South African National Civics Organisation (SANCO)
SADC	Southern African Development Community
SETAs	Sector Education Authorities
SME	Small Medium Enterprise
SMMEs	Small Medium Micro Enterprises
SIYB	Start and Improve Your Business
STATSSA	Statistics South Africa
UIF	Unemployment Insurance Fund
UN	United Nations
UNAIDS	United Nations Joint Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
USDoL	United States Department of Labour
WTO	World Trade Organization
WNC	Women's National Coalition (WNC)

THE SOUTH AFRICA DECENT WORK COUNTRY PROGRAMME

EXECUTIVE SUMMARY

The South Africa Decent Work Country Programme (DWCP) is a culmination of a highly consultative process between the ILO and the Social Partners through the mechanism of NEDLAC. Key priorities on which the DWCP is based were identified through a process involving all the constituents represented in NEDLAC; Government, Business Unity South Africa representing Employers' Organizations, Organized Labour and Community.

The DWCP process in South Africa occurred against the backdrop of a global financial and economic crisis that threatened significant employment gains made in South Africa since 1994 posing a serious threat to vulnerable workers and the poor. Consequently, part of the strategic focus of the DWCP has been to lend support to national initiatives aimed at mitigating the impact of the global financial and economic crisis and that fall within the priorities identified by the social partners for the DWCP.

The priority areas for the DWCP address a selected number of major decent work deficits in the country identified in very close consultation with the social partners. The constituents chose to formulate these priorities in line with the four strategic pillars of decent work. These priorities are notably, strengthening fundamental principles and rights at work; the promotion of employment creation; strengthening and broadening social protection coverage to include vulnerable workers operating in the informal economy and informal employment; and strengthening tri-partism and social dialogue. The informal economy that continues to absorb an increasing number of the unemployed and vulnerable is targeted for inclusive growth and for tackling some of the major decent work deficits characteristic of the informal economy.

Strategies for employment promotion seek to support on-going national efforts at creating an enabling policy environment for job rich growth, the promotion of sustainable enterprises and enhancement of national capacities for relevant skills development. Strategies on promoting fundamental principles and rights at work seek to enhance labour market governance through the ratification of relevant and up-to-date conventions, strengthening the employment relationship and support to labour administration institutions for the provision of more effective labour market services. Focus on strengthening and broadening social protection coverage will include policy and technical advisory support which will be directed towards strengthening and broadening social protection coverage, with particular focus on the informal economy. Strategies geared towards strengthening tri-partism and social dialogue will focus on strengthening the capacities of social dialogue institutions, labour dispute resolution and collective bargaining institutions. Focus will also be directed towards strengthening the capacities of represented entities in the tripartite-plus social dialogue mechanism.

The priorities for the South Africa DWCP give effect to the protection of fundamental rights and freedoms guaranteed to all citizens under the Constitution of the Republic of South Africa in the bill of rights. These include the protection of rights to equality, rights to equal treatment and protection against unfair discrimination; rights to human dignity, freedom of expression and association; and rights to fair labour practices and rights of access to social security including social assistance.

The priorities and strategic focus of the South Africa DWCP intersect with the ILO strategic objectives and key outcome areas as outlined in the ILO Strategic Policy Framework 2010-2015 and the ILO Programme and Budget for the 2010-2011 Biennium. The priorities of the DWCP also respond to other Global and Regional commitments to which South Africa is a part, notably; the Decent Work Agenda for Africa; the Ouagadougou Declaration and Plan of Action; and the SADC Regional Indicative Strategic Development Plan.

1. BACKGROUND ANALYSIS

1.1 Introduction

Quoting from the ILO Director General, “*the primary goal of the ILO Decent Work Agenda is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity*”¹. The concept of decent work is based on the understanding that work is not only a source of income but more importantly a source of personal dignity, family stability, peace in community, and economic growth that expands opportunities for productive jobs and employment. The goal is not just the creation of jobs, but the creation of jobs of acceptable quality. The concept of Decent Work is best captured in terms of its four strategic pillars notably: promotion of fundamental principles and rights at work that relates to ; promotion of employment and income opportunities; expansion and improvement of social protection coverage; and the promotion of social dialogue and tripartism.

Promoting fundamental principles and rights at work carries the responsibility to guaranteeing rights and improving conditions of working people which the ILO addresses by building a system of labour standards expressed in the form of Conventions, Recommendations and Codes of Practice. Promoting employment and income opportunities entails the responsibility to expand opportunities and to increase personal capabilities for people to find productive work and to earn a decent livelihood. Expanding and improving social protection coverage on the other hand carries the responsibility to address the vulnerabilities that people face and contingencies that take people out of work whether they arise from unemployment, loss of livelihood, sickness or old age. It also addresses the need to promote safety and health at work. Social dialogue aims to promote consensus building and democratic involvement among key stakeholders in the world of work. Thus successful social dialogue structures and processes have the potential to resolve key economic and social issues, encourage good governance, advance social and industrial peace and stability and to boost economic progress.

The ILO Decent Work Agenda (DWA) is implemented at the country level through Decent Work Country Programmes (DWCPs) that have been established as the main vehicle for delivery of ILO support to Member States. DWCPs promote decent work as a key component of national development strategies and constitute a programming tool to deliver on a limited number of priorities over a defined period. At the same time they organize ILO knowledge, instruments, advocacy and cooperation at the service of tripartite constituents in a strategic results-based framework to advance the Decent Work Agenda within fields of ILO comparative advantage.

The ILO DWCP is based on problem analysis leading towards the identification of priority areas of cooperation between the ILO, its social partners and other international development partners within the national development policy framework of a country. The South Africa DWCP expresses the best possible intersection between the country’s policies and development agenda, constituents’ priorities and the ILO’s mandate and strategic objectives. This Document therefore, sets out priorities and desired outcomes that will form the basis for ILO work programmes and technical cooperation interventions for South Africa.

¹ Report of the ILO Director General: Decent Work (87th Session of the International Labour Conference, Geneva, June 1999)

1.2 Country Context

1.2.1 The Constitution of the Republic of South Africa

The fundamental principles and values upon which the South Africa DWCP is based give effect to the protection of fundamental rights and freedoms guaranteed to all citizens in the bill of rights under the Constitution of the Republic of South Africa. The bill of rights in the Constitution of the Republic upholds and guarantees respect, protection and promotion of rights of all citizens. These include the protection of rights to equality, rights to equal treatment and protection against unfair discrimination; rights to human dignity, freedom of expression and association; and rights to fair labour practices and rights of access to social security including social assistance.

1.2.2 Political and Socio-Economic scenario

South Africa held its first multiracial elections in 1994 that ushered in a new democratic and political dispensation after years of apartheid and white political hegemony. Since 1994, the ANC led Government has been engaged in a vigorous process of transformation to address deep rooted social and economic disparities resulting from the legacy of apartheid. Government's transformation agenda has been defined by a series of legislative and policy measures aimed at redressing the imbalances of the past to create an inclusive society characterized by shared and equitable economic growth. The Constitution of the Republic of South Africa and the Reconstruction and Development Programme that were adopted at the dawn of the new democratic dispensation in South Africa provided a broad legal and policy framework to address the social and economic imbalances of the apartheid legacy, and to improve the quality of life of all South Africans. The core objective of the ANC led Government as set out in Vision 2014 and Government's Medium Term Strategic Framework and Programme of Action 2009 – 2014 is to half poverty and unemployment by 2014, and to ensure a more equitable distribution of the benefits of economic growth. One of the key elements of the development agenda of the ANC led Government is to eradicate poverty and unemployment through the promotion of decent work and employment. The commitment of the ANC and its alliance partners to the promotion of decent work and employment was clearly articulated in the historic ANC conference held in Polokwane in 2008, and in the ANC election manifesto that was launched in 2008 ahead of the national elections that saw a third consecutive victory for the ANC at the polls.

South Africa is a middle-income emerging economy with an abundant supply of natural resources and a Gross Domestic Product (GDP) per capita income of \$5,914². South Africa also has well-developed financial, legal, communications, energy and transport sectors, a stock exchange ranked favorably in the world, and a modern infrastructure supporting efficient distribution of goods throughout the Southern African region. Although traditionally reliant on its mineral wealth, South Africa's economy has become increasingly more diversified and is built upon a number of other key sectors such as Tourism, Mining, Automotive Assembly, Information and Communications Technology, and the Chemical Industries. The economy is primarily based on foreign trade with more than half of the Gross National Product (GNP) derived through exports and imports. Trade liberalization has been one of the central policies of South Africa's development strategy since 1994. While trade liberalization made a positive contribution to growth with exports increasing in volume and value, it did not result in commensurate growth in employment or a drop in poverty. Capital intensity in manufacturing as in other sectors like mining contributed to a loss of employment by unskilled and semi-skilled workers.

² The Human Development Report, 2009 available at: <http://hdr.undp.org>

As indicated earlier economic growth for South Africa has been positive since 1994 (with the exception of 1998 due to the East Asian crisis³). GDP averaged 3% during the decade of the new democratic dispensation, exceeding 4% since 2004 and ultimately rising to 5.3% in 2007 to represent the highest rate of economic growth in many years. Much of this positive growth has been attributed to sound and prudent macro-economic policies that enabled sustained growth during this time, as well as strong global commodity prices that favored South Africa's export commodities and the steady increase in domestic consumer demand prior to the global economic meltdown.

After several years of robust economic growth, economic activity in South Africa began to take strain in 2008 as a result of several negative factors including unprecedented power shortages that affected productivity in major sectors of the economy; rising interest rates in inflation targeting; hikes in global oil and food prices in the first six months of the year; the slow-down of private consumption; and the decline in foreign investment and exports as a result of the expanding world financial and economic crisis.

Like other developing countries which are strongly integrated in the world economy, the South African economy has been negatively affected by the global financial and economic crisis. Economic data released by Statistics South Africa (STATSSA)⁴, reveal that GDP for the first quarter of 2009 declined by 6.4 percent after declining 1.8 percent in the final quarter of 2008 thus placing the South African economy in a technical recession for the first time in 17 years. The economy recorded a third consecutive negative growth of -3, 1 per cent in the second quarter of 2009⁵. The economic crisis also impacted negatively on national efforts to reduce unemployment in the country. Figures released by the fourth quarterly labour force survey show a significant rise in the unemployment rate from 21.9% in the fourth quarter of 2008 to 24.5% in the fourth quarter of 2009. Data also show a cumulative loss of nearly 1 million jobs since the start of 2009 with substantial jobs losses in both the formal and informal sectors across all major sectors of the economy.

1.2.3 Social Trends

Income Inequality and Poverty indicators

Despite its middle income status, South Africa is characterized by high levels of poverty and high income inequality between population groups (Black Africans, Whites, Asians and Coloureds) and within individual population groups. A study released by the South African Institute of Race Relations⁶ revealed that income inequality increased between 1997 and 2007 from a gini-coefficient of 0.64 to 0.67. Poverty and inequality in South Africa also have racial, gender and age dimensions with high concentrations found predominantly among black Africans, in particular black African women and youth. In 2005 more than half of the individuals considered poor in terms of both the R322 and the R174 per month poverty lines lived in female-headed households⁷. Income poverty experienced by women has been associated with insufficient earned income and an indication of the challenges that women still face in accessing key resources to lift them out of a state of economic deprivation.

South Africa has had an on-going debate on what constitutes the poverty line and in determining the minimum wage. Given the high levels of poverty in South African society there is an urgent need for national consensus on what constitutes the minimum wage and to develop a wage policy.

³ The Asian Financial Crisis was a period of financial crisis that gripped much of Asia beginning in July 1997 to later impact the developing world

⁴ STATSSA, Gross Domestic Product, first quarter 2009 (<http://www.statssa.gov.za>)

⁵ STATSSA, *ibid*

⁶ South African Institute of Race Relations, 2008: <http://www.sairr.org.za/press-office>

⁷ Towards a Fifteen Year Review, 2008, 2008: Available at <http://www.info.gov.za>

HIV/AIDS

South Africa is one of the countries hardest hit by the HIV&AIDS epidemic in Sub-Saharan Africa, with an estimated 5,2 million people living with the virus in 2008⁸. Of particular concern is the sustained high level of HIV infection among young females. HIV prevalence remains disproportionately high for females overall in comparison to males and it peaks in the 25-29 age group where 1 in 3 (32.7%) were found to be HIV positive in 2008⁹. However, trends emerging from recent national antenatal surveys suggest a stabilization of HIV prevalence among women younger than 20 years of age, as well as a decline among women 20-24 years from 30% in 2005 to 28% in 2006. Structural and cultural determinants have generally contributed to the vulnerability of women to the spread and impact of the epidemic.

The epidemic has impacted negatively on household income security through the loss of income caused by HIV related deaths and illnesses. The HIV epidemic has also put considerable strain across all sectors and levels of the economy with infection rates significantly high among the able-bodied workforce. The impact and potential impact of HIV/AIDS varies from one company to the next. Labour and capital intensive industries as well as those with high labour mobility are the most affected by the AIDS epidemic. In South Africa these commonly include the transport, mining, construction, metals processing and agribusiness sectors.

1.2.4 Social Protection

One of the key achievements in the post-1994 period has been the constitutional safeguard for the right to social security and social assistance for people who are in need. Section 27 (1) of the constitution protects the right of every citizen to access social security and appropriate social assistance if they are unable to support themselves and their dependants. Since 1994, the single most important driver in the reduction of absolute poverty has been Government's social assistance programme (also referred to as the social grants system) that has benefited over 12 million South Africans to-date. In 2009/10, spending on grants will increase to R80 billion, which is 12% of total government spending.

In addition to the constitution, South Africa has established a comprehensive legal and policy framework for the provision of social protection to its citizens, particularly vulnerable sectors of the population. Legislative measures undertaken to this effect include the Social Assistance Act, No. 13 of 2004 which provides a legislative framework for the provision of social-assistance grants to the vulnerable. This piece of legislation shifts the social-assistance function to the national sphere of government, and provides for a Social Security Agency to render the management and administration of social grants. Other legislation that regulates social insurance includes the Unemployment Insurance Act 1987 (No. 102), the Pension Laws Amendment Act 1987 (No. 88), and the Older Persons Act 2006 that seek to alleviate and prevent poverty in the event of life cycle risks such as loss of income due to unemployment, disability, and old age (see annex for additional information).

While great strides have been made to expand social assistance coverage, South Africa's social security system is currently fragmented and does not provide adequate coverage to ensure the protection of the economically active population. The development of the social insurance system has lagged far behind in both scope and coherence. South Africa has a weak system of mandatory contributions for the working population and has no mandatory retirement provision. Occupational retirement and medical insurance does not extend to those outside of the coverage of collective bargaining agreements in the formal wage economy. Those in the informal sector and sectors where collective bargaining is less

⁸ Human Sciences Research Council, 2009: *The South African National HIV Prevalence, Incidence, Behaviour & Communication Survey 2008*.

⁹ <http://www.hsrb.ac.za>

prevalent such as agriculture and forestry, construction, wholesale and retail, catering, taxi operations, security and hospitality do not generally access medical or social insurance cover.

The social security coverage in South Africa does not extend to foreign African migrant workers and their families. Irregular migrants are particularly at risk of not having any provision for social protection coverage.

The social insurance system in South Africa is burdened with the lack of adequate capacity for the effective delivery of services and governance of the social security system in the country. The ILO has in previous years partnered with Government and the Social Partners to provide technical support for strengthening national capacity of social security governance. Continued ILO technical support will be directed towards strengthening the national governance capacity for social security within the context of a reformed and more inclusive social security system.

1.2.3 Status of the labour market

Employment trends

Unemployment remains a critical challenge in South Africa standing at 24, 3%¹⁰ (according to the official definition) in the fourth quarter of 2009. When considering the unofficial definition of unemployment that includes discouraged work seekers the figure becomes significantly higher. The burden of unemployment in South Africa is worse for black Africans and in particular black African women. Youth, both men and women (14-35 years) are also disproportionately affected by unemployment. For example, men and women in the age cohorts 15-24 are twice as likely than men and women in the age cohorts 35-44 to be unemployed, and three times as likely to be unemployed than South Africans aged 45-54 years¹¹. While youth unemployment tends to be more severe in rural areas (and particularly in the former homelands), in absolute numbers youth unemployment is highest in the four metropolitan¹² areas of the country.

Prior to the recent global economic crisis, labour market indicators in South Africa showed a progressive improvement in the employment levels since 2003. Despite positive gains in employment during this time, a number of factors intervened to pose serious threats to the employment picture. Employment growth has been offset by an expanding unemployed unskilled and semi-skilled labour force partly as a result of losses in employment in the traditional commodity sectors of the economy where high mechanization and capital intensive growth in the 1990s resulted in the declining need for unskilled and semi-skilled labour. The sectors that came to be seriously affected included agriculture, manufacturing and mining. While trade liberalization made a positive contribution to growth with exports increasing in volume and value, it did not result in commensurate growth in employment or a drop in poverty.

The shortage of skills relevant to the industrial labour market, especially among young women and men, has also contributed considerably to the high levels of unemployment. A large proportion of the population remains poorly skilled, despite large investments in education since 1994. The legacy of an inferior education system under the apartheid era and the slowness of education and skills development institutions to catch up with the growing requirements of the economy have contributed considerably to the high levels of unemployment. The poor interface between users and suppliers of human capital for

¹⁰ Statssa, 3rd Quarterly labour Force Survey 2009: Available at: <http://www.statssa.gov.za> .

¹¹ Labour market data does not ordinarily breakdown youth unemployment data by both gender and age. This makes it difficult to make statistical comparisons between the unemployment rate among young women and their male counterparts.

¹² Metropolitan areas are notably; Johannesburg, Cape Town, Durban and Port Elizabeth (Nelson Mandela Bay)

several years has meant that skills development institutions have not been effective in developing the skills required by the economy.

The impact of the recent global financial and economic crisis further posed a serious challenge to national efforts at creating employment as revealed by the findings of the 2009 Labour Force survey for the first three consecutive quarters of 2009. Labour market data for 2009 showed a cumulative loss of nearly 1 million jobs since the start of 2009 with substantial jobs losses in both the formal and informal sectors across all major sectors of the economy. A total of 208,000 jobs were lost between Q4 of 2008 and Q1 of 2009, and a further 267,000 jobs were lost between Q1 and Q2 of 2009. Labour market indicators for Q3 showed an additional loss of 484,000 job losses, exceeding the 475, 000 jobs shed in the first six months of the year¹³. Labour market data released for Q4 of 2009 show that compared to quarter 4 of 2008, there was an annual decrease of 6,3% (870,000) in employment in 2009, an increase of 292,000 in the number of unemployed persons and an increase of 947,000 in the number of persons not economically active of which 518,000 were discouraged work seekers.¹⁴ Notwithstanding the number of jobs lost in 2009, labour market data for Q4 in 2009 also show that there was an increase of 89,000 jobs across all industries of the economy between the 3rd and 4th quarters of 2009 providing strong indication that South Africa is on the threshold of an economic recovery.

High levels of unemployment in South Africa have resulted in the expansion of the informal economy characterized by gross decent work deficits. Defined by Statistics South Africa as *employment in precarious work situations with no written contract and no benefits*¹⁵ informal employment in South Africa constitutes 36% of total employment, and women predominate as workers in informal employment. South Africa has also witnessed the emergence of atypical forms of work characterized by casual labour, part-time employment, temporary and seasonal work. Certain types of atypical employment relations have exposed workers to unacceptable forms of vulnerability and exploitation while other forms have had a job creation and facilitation impact. Labour broking while having contributed positively to employment facilitation has become a distinctive feature in atypical employment relations and is alleged to have impacted negatively on the implementation and enforcement of rights of these workers. This is because labour brokers and certain employers have attempted to bypass labour legislation and regulation. Government and its social partners have begun a process to review legislation with a view towards regulating labour broking and improving the employment relationship within non-standards form of employment.

2. National Response

2.1 Response to the Impact of the global financial and economic crisis

Social dialogue has been at the heart of South Africa's response to the global economic and financial crisis. The National Response Framework (NRF) to the Global Economic Crisis was developed by a Presidential Economic Joint Working Group comprised of representatives from Government, Organized Labour, and Business and adopted on 18 February 2009. The NRF is integrated in Government's medium to long-term development programme that is geared towards addressing poverty, unemployment and broadening economic participation. The NRF is governed by a number of broad principles that seek to do the following among others: to safeguard the welfare of the vulnerable and to avoid placing the burden of the economic downturn on the poor; to grow the economy and create decent jobs through increased state investment in economic and public infrastructure, introduction of effective

¹³ Statistics South Africa, Labour Force Survey for Quarter 3, 2009. Available at <http://www.statssa.gov.za>

¹⁴ Statistics South Africa, Labour Force Survey for Quarter 4, 2009. Available at <http://www.statssa.gov.za>

¹⁵ Statistics South Africa, Quarterly Labour Force Survey, 2008

industrial and sector strategies, commitment to skills development, and the transformation and integration of informal activities into the formal economy. The need to foster commitment to macro-economic policies that support decent work and sustainable growth is also an essential part of the principles outlined for governing the national response. Fiscal and monetary policy, as well as Industrial and Trade policy measures constitute critical elements in the national response in an effort to create an enabling environment for poverty reduction and enhanced employment outcomes. Against the backdrop of global warming and national efforts aimed at developing capacity in green technologies and industries, the national response also calls for investment in programmes geared towards creating a large number of green jobs.

Government's Public Infrastructure Investment Programme is a critical element of the national response to the economic downturn. Government has allocated an estimated R846 billion to the public infrastructure programme to help create jobs and to mitigate the impact of the huge job losses brought on by the economic crisis¹⁶. The roll-out of the Expanded Public Works Programme (EPWP) also constitutes a critical element in the national response to the economic downturn that is aimed to create job opportunities for the unemployed with particular focus on youth, women and other vulnerable groups. The target for the second phase of the EPWP is to create a cumulative total of 2 million full time equivalent jobs for poor and unemployed people in South Africa. The ILO has had a long standing partnership with Government to provide technical and policy advisory support to the EPWP on labour intensive investment programmes at both national and provincial level. During Phase 1 (2004-2009) of the EPWP the infrastructure sector of the programme to which the ILO provided technical support was able to create an estimated 491 311 work opportunities. Notwithstanding the successes achieved by the EPWP during phase 1, a review of the EPWP revealed that jobs created through this programme tend to be short-term and low paid, and as such are not characterized by retirement and related benefits. Against this background, ILO support to the roll-out of the EPWP in phase 2 attempts to pay particular attention towards enhancing local capacity to generate sustainable work opportunities and enterprises for the unemployed and poor segments of the population and to mainstream decent work in labour intensive investment programmes.

A Special National Jobs Initiative and a Training Layoff Scheme have been launched as part of the national effort at minimizing job losses as a consequence of the economic crisis. The objective of the Special National Jobs Initiative is to coordinate and accelerate the financing of industrial and special employment measures as well as social measures to avoid job losses and to actively increase the number of employed persons¹⁷. Government pledged R10 billion over the next three years as part of an initiative to save jobs during the international economic crisis. The Training layoff Scheme is one measure adopted by Government to assist workers and companies affected by the global economic slowdown. The scheme aims at avoiding the retrenchment of workers whose employers would ordinarily have them retrenched and instead allows workers to temporarily suspend their normal work to take part in training programmes. A National Jobs Fund was established in 2009 with an initial allocation of R2.4 billion to help finance the Training Layoff Scheme. The Scheme is open to workers earning up to R180, 000 a year and offers each worker a training allowance of up to 50% of their salary up to a maximum of R6, 239 a month.

South Africa has made a commitment to implement the Global Jobs Pact within the framework of the national response to the global economic crisis. Through a technical cooperation agreement, the ILO will provide technical and advisory support to Government and the Social Partners to enhance their capacity to implement the national framework agreement on the global financial and economic crisis.

¹⁶ National Budget Speech by Minister of Finance, February 2010. Available at <http://www.treasury.gov.za>

¹⁷ Framework for South Africa's Response to the International Economic Crisis, 2009 Available at <http://www.info.gov.za>

2.2 Government Policies and Programmes

To date, South Africa does not have a National Employment Policy and has also not ratified the Employment Policy Convention C122 and the Employment Promotion Convention C168. However, a number of policy measures and programmes have been instituted by Government to foster job rich growth and to address persistent high levels of unemployment, poverty and unequal growth. These measures have also sought to pay particular attention to vulnerable sectors of the population and to promote a more labour absorbing industrialization path characterized by greater levels of participation by historically disadvantaged people. The Accelerated Shared Growth Initiative for South Africa (AsgiSA) that was launched by Government in 2006 sought to create an environment and opportunities for an inclusive economy through more labour absorbing economic activities. To meet Government's social objectives of halving poverty and unemployment, AsgiSA sought to ensure accelerated economic growth of at least 4, 5% between 2005 and 2009, and an average annual growth rate of at least 6% between 2010 and 2014. However, the recent global economic meltdown that led to the contraction of the South African economy and the resultant economic recession recorded in the first quarter of the year will alter targets set for economic growth and job creation within the next few years.

The Industrial Policy Framework and the second Industrial Policy Action Plan (IPAP2) seek to facilitate economic diversification beyond the current reliance on traditional commodities and non-tradable services towards a more labour absorbing industrialization path characterized by greater levels of participation by historically disadvantaged and marginalized regions in the mainstream of the economy. The policy also holds potential for the alleviation of unemployment and poverty for both men and women. It provides a framework to target vulnerable sectors with labour absorbing potential, including SMMEs and cooperatives.

Since 1994 significant efforts have been made by Government to restructure institutional support for skills development in the country. The Further Education and Training sector has been re-organized to make it more responsive to the demands of a modern economy. However, in a major setback for the sector a new FET curriculum was introduced in 2007 but failed to win the confidence of industry in the country. There is therefore, still a continued and urgent need to improve the quality of education and training in FET colleges and to enhance their responsiveness to the requirements of industry. Also critical is the need to promote programmes within the sector that generate first time work opportunities for young people.

South Africa has an enabling policy and legal environment to address the challenge of skills development in the country. The Skills Development Act (1998) and the National Skills Development Strategy 2005-2010 provide a framework for strengthening the skills of the South African workforce and provides for the establishment of sector specific Sector Education and Training Authorities (Setas) to manage the skills development process. Part of the key mandate of Setas is to ensure that the skills requirements of the various sectors are identified and that training is of appropriate quality, meets agreed standards and caters for the training of needs of new entrants to the labour market as well as the currently employed workforce. There are however, severe governance challenges with regards to the management of the Setas which hampers their ability to achieve their mandate. Furthermore, a lot more needs to be done to ensure greater alignment of Seta facilitated training with the needs of the economy.

The government of South Africa has identified Small, Medium and Micro scale Enterprises (SMMEs) and development as a key strategy to alleviate the pressure on the local labour market and poverty. While the majority of SMMEs do provide disadvantaged groups like women and youth with a source of income, most of them are survivalist with little opportunity for expansion and growth. Currently SMMEs, particularly those operating in the informal economy, face a number of constraints to sustainability and profitability. These constraints relate to the legal and regulatory environment, lack of competitiveness, limited access to market and financial capital, limited human capital in the form of

skills and experiences, limited access to appropriate technology and quality business infrastructure particularly in poor and rural areas of the country. The tendency for SMMEs to operate in conditions of excess supply of relatively unskilled and unorganized labour permits them to survive by keeping labour costs low.

South Africa has established a policy framework to address the challenges faced by emerging SMMEs. This includes the Integrated Strategy on the Promotion of Entrepreneurship and Small Enterprises which seeks to improve the coordination and promotion of small business and the National Youth Enterprise Strategy aimed at ensuring that entrepreneurial skills, and experience among young women and men are nurtured and enhanced. The challenge however, lies in creating policy coherence in enterprise development and translating policy into viable programmes that promote sustainable enterprise development. The ILO has established partnerships with Government and the social partners to provide technical and advisory support to alleviate unemployment and poverty through SMME development and to promote decent work through responsible enterprises. Targeting youth and women, these technical cooperation projects include the SETYSA¹⁸ project that seeks to alleviate poverty and unemployment by creating an enabling environment for the promotion of social businesses; the SCORE project that targets rural based youth and women to promote sustainable job opportunities through the promotion of competitive and responsible enterprises; and the WEDGE project that target mainly growth oriented women entrepreneurs by strengthening the national institutional capacity of the Government of South Africa to redress existing gender imbalance in enterprise development. The aforementioned projects will be integrated into the DWCP to create job opportunities through sustainable enterprises.

Cooperative enterprises have also been identified as key to job creation and poverty reduction. However, local cooperatives generally face a number of major constraints including a lack of capacity (that includes skills and training) to operate cooperative enterprises efficiently and to create surpluses, limited availability of start-up and expansion capital, as well as limited access to markets and information on business opportunities. Government has sought to create an enabling policy environment for cooperatives development through the adoption of the new Cooperatives Act (2005), and the Cooperatives Development Strategy, but the biggest challenge still lies in strengthening coordination of action among key role players in cooperatives development to ensure the promotion of a viable cooperative movement in South Africa. The ILO provided technical and advisory support towards strengthening cooperatives development through the SAY-JUMP project¹⁹ (2007-2009). Targeting poor and marginalized young men and women, the project helped in establishing group cooperative enterprises in selected poverty nodes in the country, enhancing the capacity of youth to start up their businesses and facilitating policy dialogue on cooperatives. The extension of the project will seek to consolidate emerging cooperatives established in the first phase of the project and to stimulate greater demand among young people for social business development support services.

2.3 National and Workplace responses to the AIDS epidemic

The national response continues to receive the highest political leadership and increased public sector funding. South Africa has put in place a comprehensive policy and legislative framework to respond to the AIDS epidemic and its attendant challenges. The National Strategic Plan for HIV/AIDS (NSP) 2007 - 2011, which is a culmination of an intensive consultative process between key sectors of society including Government, Business, Labour and Civil Society, provides a framework for the universal access to HIV prevention, treatment, care and support. It also provides a framework for mitigating the spread and impact of HIV/AIDS in the world of work and for the development of sector specific

¹⁸ SETYSA project - Social Entrepreneurship Development Targeting Unemployed Youth in South Africa

¹⁹ SAY-JUMP project - South African Youth, Jobs for the Unemployed and the Marginalized to Escape Poverty

policies, also focusing on high risk sectors. Attention is directed towards creating an enabling environment to protect and mitigate the vulnerabilities of women, girls and people with disabilities to the epidemic. South Africa also adopted a Comprehensive HIV&AIDS Care, Management, and Treatment Plan in 2003 which aims to provide comprehensive care and treatment for people living with HIV/AIDS, and to facilitate the strengthening of the national health system.

The Department of Labour developed a Code of Good practice on key aspects of HIV/AIDS and Employment. The Code's primary objective is to set out guidelines for employers, employees and trade unions to manage HIV/AIDS within the workplace and to ensure that individuals with HIV infection are not unfairly discriminated against at the workplace. HIV/AIDS has also been mainstreamed in development strategies and across various pieces of labour legislation such as the Employment Equity Act, the Promotion of Equality and Prevention of Unfair Discrimination Act, Occupational Health and Safety Act to mention a few.

The private sector response to the epidemic has been coordinated mainly through SABCOHA²⁰. SABCOHA's approach to supporting companies is informed by the realities of a differentiated business sector where the needs, challenges and opportunities for action within business are different for corporates, SMEs and micro enterprise sectors. The SMME and micro enterprise sectors are usually the most poorly resourced and often face huge constraints to mounting effective HIV/AIDS programmes. Some of the programmes coordinated through SABCOHA have sought to strengthen the capacity of SMMEs to respond more effectively to the impact of the epidemic, including developing a workplace toolkit on HIV/AIDS for SMMEs. The biggest challenge however, lies in sourcing adequate funding to ensure the effective roll-out of the toolkit for SMMEs.

While a significant number of sectors in the economy such as mining, and transport to name a few have successfully responded to the impact of the HIV/AIDS epidemic, there are still many sectors of the economy that have not been able to develop and implement effective HIV/AIDS policies and programmes²¹. Some of the challenges to the effective implementation of programmes and policies result from a lack of strong management structures/ plans to oversee workplace interventions, inadequate capacity and dependence on fully occupied employee volunteers for peer education, and a small number of personnel for specialized care and support services. Cases of stigmatization prejudice and exclusions have been endemic in the workplace, a situation that has hampered the effective roll-out of ARV treatment workplace interventions.

An assessment of the role of labour in tackling HIV/AIDS by NALEDI²² revealed that unions in South Africa have fought for labour legislation that protects workers. The main labour federations in the country have taken a strong position in response to the epidemic and embarked on joint campaigns to reduce the impact of HIV/AIDS on the world of work. However, there is still much that needs to be done to ensure workers in all sectors are protected by workplace interventions. Incidents are still reported of workers being discriminated against on the grounds of their HIV status. The majority of bargaining councils still do not have HIV/AIDS policies in place and for those that do there is often a lack of proper mechanisms to monitor compliance. Workplace interventions are often ineffective or non-existent in sectors characterized by high levels of casualization. Enforcing HIV/AIDS agreements in such sectors remains a major challenge for business and labour.

²⁰ (South African Business Coalition on HIV/AIDS) which is a private sector initiative aimed at helping companies both large and small in their efforts to combat the epidemic through workplace initiatives.

²¹ National Labour & Economic Development Institute, 2008; Annual Report on Bargaining <http://www.naledi.org.za>

²² *ibid*.

2.4 Occupational Safety and Health

South Africa ratified the Occupational Safety and Health Convention of 1981 (No. 155), the Occupational Safety and Health Recommendation, 1981 (No.164) and the Protocol of 2002 to the Occupational Safety and Health Convention. The central organizing theme of Convention 155 and Recommendation 164 is the implementation of a policy focused on prevention rather than a reaction to the consequences of occupational accidents and diseases. South Africa has also ratified the Safety and Health in Mines Convention, 1995 (No. 176).

Significant progress has been made towards creating an enabling legislative and policy environment for the protection of workers and to ensure workers' health and safety rights. For instance, South Africa adopted the Occupational Safety and Health Act (No. 85 of 1993) that provides for the health and safety of persons at work, and for the health and safety of persons in connection with the use of plant and machinery. Currently being developed is a National Occupational Health and Safety bill and policy that will give effect to the provisions of Convention 155. A number of regulations under the Occupational Safety and Health Act are also under review to promote safer working conditions in a number of sectors. South Africa has also adopted the Compensation for the Occupational Injuries and Diseases Act, No. 130 of 1993 that is aimed at ensuring compensation of employees who have been injured on duty or contracted an occupational disease associated with the work they do. The Act laid the basis for the establishment of the Compensation Fund that is geared towards compensating workers for disabilities incurred through occupational injuries or illness resulting in death. However, there has been a lack adequate capacity for effective governance of the Compensation Fund that was established in terms of the Act.

The Department of Labour has identified Occupational Health and Safety research capacity as an area that needs to be strengthened in order for South Africa to effectively reduce workplace incidents and diseases. Between 2001 and 2007 slightly over 1.4 work-related accidents were reported to the Compensation Fund²³. The highest incidence of occupational injuries and fatalities are found in the mining, construction, iron, steel, as well as the agriculture sectors. The most commonly reported occupational diseases include noise induced hearing loss, pneumoconiosis, asthma, skin diseases and diseases caused by chemical and biological agents. One of the challenges facing the country and the Department of Labour is establishing the extent to which employees are exposed to silica dust and in establishing the number of employees that have contracted silicosis arising from the exposure to silica dust.

Currently the responsibility for promoting occupational health and safety lies amongst three government departments namely, Labour, Health and Mines. This fragmentation leads to an uncoordinated national strategy on health and safety. It is expected that National Occupational Health and Safety bill and policy that is currently under draft will help to integrate occupational competencies.

2.5 Labour Inspection

South Africa has recently established an integrated inspectorate and is embarking on a process of modernizing and restructuring its labour inspectorate. There are some critical challenges currently faced by Government in ensuring an effectively functioning labour inspectorate. There is an acute shortage of qualified labour inspectors owing to a high turnover of labour inspectors in past years thereby impacting on the capacity of the labour inspectorate to effectively conduct inspections. The high turnover of staff has resulted in an inspectorate that is understaffed and without the capacity to ensure compliance with

²³ National Economic & Development Institute; 2008; Annual Report on Bargaining: Available <http://www.naledi.org.za>

labour laws. The labour inspectorate also needs the necessary human resources and capacity to function more effectively and to ensure that as a minimum the workplaces under supervision are inspected thoroughly and with sufficient frequency. The lack of suitably qualified labour inspectors in the country has made it difficult to recruit a critical mass of labour inspectors to strengthen the human resource capacity. The labour inspectorate in South Africa has an insufficient data gathering and information system for policy design. The lack of an effective communication system and record keeping system has hindered the capacity of the inspectorate to perform inspections and to properly follow up on inspections. In addition the inadequate use of electronic means of reporting and data collection makes it difficult to assess compliance for the purposes of strategic planning and setting priorities.

South Africa has not yet ratified conventions No. 81, 129, and 150 that are still up-to-date instruments that provide for labour inspection systems to enforce the legal provisions on conditions of work and the protection of workers.

2.6 Social Dialogue and Collective Bargaining

Social dialogue is vibrant in South Africa and continues to play a key role in socio-economic and political processes. The formal social dialogue institution in South Africa is NEDLAC that was established by an act of parliament in September 1994. Nedlac has succeeded in establishing social dialogue as an accepted and invaluable part of the country's policy making and national decision-making system. Notwithstanding the above, Nedlac requires continuing support to enhance its institutional capacity to function more effectively as a social dialogue institution and to play a more effective role in influencing social and economic policy. The constituents represented in NEDLAC also require further support to enhance their capacity to participate more effectively in social dialogue processes.

One of the central features of South African industrial relations is the voluntary collective bargaining system between employers and employees. Chapter 3 of the Labour Relations Act (LRA) makes extensive provision for advancing workers interests through a bundle of mechanisms such as collective agreements and bargaining councils, among others. The number of bargaining councils has declined in recent years, but the number of workers covered by bargaining councils has increased. The steep drop in the number of councils is explained by amalgamations of councils to form bigger councils and by the collapse and deregistration of some councils²⁴. Despite the decrease in the number of councils, the number of workers covered by bargaining councils has increased. Although the bargaining council system has proved to be very resilient, it faces some serious challenges. A key challenge facing many bargaining councils is to maintain a level of representivity necessary to have their agreements extended to non-parties (that is, the firms and employees who are not members of party employers' organization and unions)²⁵. Another threat to the Bargaining Council system is the declining union membership due to growing levels of atypical employment, resistance by some employers to joining and participating in the activities of councils, poor financial and administrative capacity, and limited powers to regulate the activities of labour brokers. Furthermore, there are an increasing number of small businesses that do not register with councils and are therefore, not bound by collective agreements reached within Bargaining Councils. Bargaining councils also face the challenge of monitoring and ensuring compliance with collective agreements. There is also a need for the strengthening of workers' and employer's organizations capacity to engage in collective bargaining.

²⁴ Godfrey et al (2007) *The State of Collective Bargaining in South Africa: An Empirical and Conceptual Study of Collective Bargaining*, (Development Policy Research Unit, Working Paper 07/130

²⁵ *ibid*

There is also a need to strengthen the institutional capacity of bargaining councils by enhancing and modernizing their administration systems, training and refocusing staff within bargaining councils to address challenges faced by workers and industry.

2.7 Dispute resolution institutions: CCMA, Bargaining Councils, Labour Courts

Labour dispute resolution institutions in South Africa have come under considerable strain owing to high referral rates of labour disputes. The inability by employers and employees in many organizations and sectors to manage internal processes of labour dispute resolution has contributed to high referral rates. Consequently, the Labour Court, the Commission for Conciliation, Mediation and Arbitration (CCMA) and accredited Bargaining Councils are often under immense strain to function effectively and efficiently. The Labour Court and the CCMA handle considerable caseloads that impact negatively on their ability to manage individual labour dispute cases efficiently. Accredited Bargaining Councils for labour dispute resolution, accredited by the CCMA to perform dispute resolution functions in order to reduce the burden on the CCMA, often lack adequate resources to operate.

2.8 Labour and Employment Legislation *(see annex 2 for additional labour and employment legislation)*

South Africa's labour relations are governed and regulated by the Labour Relations Act (1995), the Employment Equity Act (No. 55)1998, and the Basic Conditions of Employment Act (No.75) 1997. The Labour Relations Act provides a legal framework for the regulation of individual and collective labour matters. This includes the establishment of bargaining councils at sector level and for the enforcement of collective agreements and dispute resolution by bargaining councils. It also affords workers' and employers' organizations rights to freedom of association and the protection of the rights of employers' organizations and workers' organizations. The CCMA which is a labour dispute resolution body was established under the Labour Relations Act.

The Employment Equity Act, is consistent with the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) and provides a legislative framework for employment equity and the redress of the apartheid legacy of unfair discriminatory laws and practices that caused disparities in employment, occupation and income within the national labour market. The provisions of this legislation seek the removal of policies that resulted in inequalities in the country during the apartheid era.

The Basic Conditions of Employment Act (1997) regulates all minimum conditions of employment unless they are governed by a bargaining council agreement. Sectoral determinations have been introduced to replace the old Wage Determinations in order to improve the position of vulnerable workers in sectors that are not significantly organized. These include determinations covering workers in the private security sector, domestic workers, farm workers, and workers in the wholesale and retail sector.

2.9. Ratified ILO Conventions *(see annex 3 for list of ratified conventions)*

To-date, South Africa has ratified a total of 23 ILO Conventions of which 20 are currently in force. Included among the ratified conventions are all the eight core conventions that include those that enable social dialogue to take place notably, Freedom of Association and Protection of the Right to Organize Convention, 1947 (No.87); Right to Organize and Collective Bargaining Convention, 1949 (No.98); the Tripartite Consultation Convention, 1976 (No.144). South Africa has not ratified a number of conventions which are critical to addressing decent work deficits in the labour market and the critical challenge of poverty and social exclusion particularly within the context of the economic crisis. These include ILO Conventions C122, 81, 88, 129, 150, C187, & 188 that relate to labour market governance and C102 on social security.

Implementation of ratified conventions has not always been effective owing to capacity challenges in ensuring compliance with such commitments, and lack of adequate awareness of the provisions of such conventions. Comments by the Committee of Experts on the Application of Conventions and Recommendation indicate a need for strengthening national capacity towards the improved quality of reporting on ratified conventions and responding to comments of supervisory bodies. The Committee also requested Government to report on the number of inspections carried out and the contraventions related to Convention 100 detected by the labour inspectorate. Implementation of ratified conventions has not always been effective owing to capacity challenges in ensuring compliance with such commitments.

3. UNITED NATIONS RESPONSE

3.1 The United Nations Development Assistance Framework (UNDAF 2007-2010):

The United Nations Development Assistance Framework for South Africa (2007-2010) is a culmination of a very close consultative exercise between the UN and the Government of South Africa. In accordance with the Principles of the Paris Declaration, the UNDAF emerged from a nationally driven process ensuring a relevant UN response to key developmental challenges faced South Africa into the second decade of democracy. Framed within the context of the Millennium Development Goals (MDGs) which are congruent with the national development agenda, the UNDAF is in alignment with key national development priorities.

To foster alignment and harmonization with the Government Programme of Action (POA), the five UNDAF outcomes were each framed within the context of Government's system of Cooperative Governance that was organized around five programme clusters adopted by Government prior to the current Government Programme of Action (2009-2014) adopted in 2009. As such, the UN cluster system comprises the following: Governance and Administration Cluster; Economic, Investment and Employment Cluster; International Relations, Peace & Security Cluster; Justice, Crime Prevention and Safety Cluster; and the Social Cluster. The ILO chairs the UN Economic, Investment and Employment Cluster which seeks to support national policies and development frameworks geared towards redressing the economic imbalances of the past through shared and accelerated economic growth.

The objectives of the UN Economic, Investment and Employment Cluster remain relevant to key priority areas outlined in the current Government Programme of Action and which provide a framework for key actions by the Government Economic Sectors and Employment Cluster that was previously called the Economic, Investment and Employment Cluster. South Africa is gearing itself for the next UNDAF roll-out which will culminate in the adoption of a new UNDAF programme cycle starting in 2011.

3.2 The Joint United Nations Programme of Support on AIDS (2008-2011)

The joint UN Programme of Support represents the entirety of the United Nations support to the national response to AIDS in South Africa, and was developed within the framework of the UNDAF (2007-2011). In developing the Joint UN Programme of Support, the UN strategically prioritized supporting the activities of the HIV and AIDS and STI National Strategic Plan for South Africa 2007-2011. The terms of reference of the joint UN Team of AIDS, of which the ILO is a part, has three programmatic focus areas notably (i) prevention (ii) treatment, care and support (iii) and strategic planning, governance and financial support.

Within the Joint Programme of Support, the ILO serves as lead agency in interventions geared towards increasing access to comprehensive customized prevention programmes in the workplace and

strengthening capacity of the workplace to implement AIDS policies for the protection of employees from human rights abuses.

4. ROLE OF THE SOCIAL PARTNERS

South Africa has an advanced and long history of social dialogue that was instrumental in the transition to the democratic political dispensation in 1994. This tradition of social dialogue has continued to provide a vehicle for Government and its social partners to deliberate on key social and economic issues that impact on the lives of South Africans. National social dialogue finds full expression through the National Economic Development and Labour Council (NEDLAC) which is a national social dialogue institution established by an act of Parliament in September 1994. Representatives from Government, Business, and Organized Labour are represented in three Chambers at NEDLAC and they are joined by representatives of Civil Society, the Community, in the Development Chamber of NEDLAC. All four social partners are represented on the Management Committee of NEDLAC making it more inclusive than many known social dialogue structures. This is a manifestation of the tripartite plus approach acknowledged by the ILO.

Within NEDLAC, Government is represented through the Departments of Labour, Trade & Industry, Public Works, and National Treasury. Organized Labour in NEDLAC is represented by the Congress of South African Trade Unions (COSATU), the National Council of Trade Unions (NACTU), and the Federation of Unions in South Africa (FEDUSA). Business is represented through Business Unity South Africa (BUSA) that was established in October 2003 through the merger of the Black Business Council and Business South Africa. BUSA is the employers' association responsible inter alia for social and labour policy issues. The Community constituency's role is to represent the views of local communities, women, youth and people with disabilities in the NEDLAC participatory process on social and economic issues. The community constituency represents a broad range of civic organizations including the Women's National Coalition (WNC), South African National Civic Organization (SANCO), South African Youth Council (SAYC), Disabled Peoples of South Africa (DPSA), the National Cooperatives Association of South Africa (NCASA), and the Financial Sector Campaigning Coalition (FSCC)²⁶. The primary objective of the Community constituency is to ensure effective participation by community in social dialogue on issues of social and economic policy.

4. DONOR PRIORITIES AND OPPORTUNITIES FOR PARTNERSHIPS

Considerable opportunities exist for partnerships with bilateral and multilateral donors and agencies in South Africa that have invested resources in work that bears relevance to the decent work agenda.

- a. **United Nations:** opportunities exist for the ILO to partner with a number of UN agencies in programmes that bear relevance to decent work agenda. Within the framework of the UNDAF, the ILO has established partnerships with UN agencies that have a mandate to work towards supporting Government and its social partners to accelerate economic growth and development. Existing and pipeline partnerships will be established through joint programmes and cost sharing initiatives in pursuit of this national agenda. Agencies whose mandates bear particular relevance to the decent work agenda within the UN Economic cluster of which the ILO is Chair include UNIDO, UNDP, FAO, UNEP, UNESCO and IOM. Opportunities also exist for ILO collaboration with UN other UN participating functioning within the framework of the Social; Justice and Crime Prevention clusters

²⁶ Elias Cebekhulu and Ibrahim Steyn, Community Participation in Social Dialogue institutions in *New Agenda* Issue 33, 1st Quarter 2009 (South African Journal of Social and Economic Policy)

as well as the joint HIV/AIDS teams for the promotion of social protection, and labour standards respectively.

- b. Other Bilateral and Multilateral donors in South Africa:** South Africa has established development cooperation agreements with a range of development partners in the area of Employment creation, skills development, SMME promotion, enterprise development and sustainable growth; as well as in the prevention and mitigation of the AIDS epidemic. The European Commission, Department for International Development (DFID), the Government of Belgium, Norway, Sweden and the Flemish Government have made major investments in the field of employment creation, SMME technical support, skills development, job creation through development cooperation. The Swiss Government has supported initiatives aimed at strengthening enterprise competitiveness and productivity. USAID (United States Agency for International Development) has also partnered with Government to fund programmes geared towards strengthening the competitiveness of Black owned SMMEs. Major donor agencies in the field of HIV/AIDS in South Africa include the US through USAID and the Center of Disease Control, CIDA (Canadian International Development Agency (CIDA), DFID (Department for International Development) and the European Union.

6. CONSTITUENTS' PRIORITIES

A series of consultative meetings and discussions were held between Government, the Social Partners and the ILO through NEDLAC from 2007 to 2009 to identify priorities for the South Africa Decent Work Country Programme. The constituents' priorities can be categorized under four broad areas notably; Strengthening fundamental principles and rights at work; Promoting employment creation; Strengthening and broadening Social Protection Coverage; and Strengthening Tri-partism and social dialogue (see table below).

Summary of Constituents' Priorities (see revised matrix for cross referencing)

<i>Strengthening Fundamental Principles and Rights at work</i>	<i>Promotion of Employment</i>	<i>Strengthening and Broadening Social Protection Coverage</i>	<i>Strengthening Tri-partism and Social dialogue.</i>
<p>(i) Promotion of ILO Standards and Values through ratification of conventions and improved compliance with existing commitments</p> <p>(ii) Strengthening enforcement mechanisms through improved labour inspection by labour inspectors and bargaining council agents</p>	<p>(i) Placing decent work at the centre of economic and social policies (monetary and fiscal policy, procurement policy, trade policy, industrial policy, and employment)</p> <p>(ii) Improving labour market and information statistics ensuring correct and transparent statistics to provide accurate diagnostic and on-going monitoring and evaluation data; developing appropriate indicators</p> <p>(iii) Growing levels of employment with particular focus on the Expanded Public Works Programme, Sensitive and Labour Absorbing Sectors, special challenges of women and youth</p> <p>(iv) Address non-standard work</p> <p>(v) Addressing wages and income – support to the Employment Conditions Commission, Bargaining Councils, research on trends in wages, incomes and inequality and technical support to constituents; developing a wage policy (including consideration of a living wage)</p> <p>(vi) Strengthening Enterprise Development – SMMEs, Cooperatives and Social Enterprises (including on-going mentoring to entrepreneurs)</p> <p>(vii) Support for the National Skills Development Strategy</p>	<p>(i) Support to social security and health reform</p> <p>(ii) Strengthening occupational safety and health – improving workplace safety, reviewing legislation and regulations, improving the functioning of the compensation fund.</p> <p>(iii) Strengthening union and employer organizations' response to HIV&AIDS at the workplace</p>	<p>(i) Strengthening Institutional Capacity of NEDLAC, Bargaining Councils and dispute resolution bodies (labour courts, the Commission for Conciliation, Mediation, and Arbitration, and accredited Bargaining Councils)</p> <p>(ii) Strengthening Trade Union and Employer organizations and Collective Bargaining</p> <p>(iii) Formalization of the informal economy – enforcing and promoting labour standards and tripartism</p>

7. DECENT WORK COUNTRY PROGRAMME: Process, Priorities, Outcomes, Outputs, and Indicators

The South Africa Decent Work Country Programme (DWCP) is a culmination of a close partnership between the ILO and NEDLAC in identifying key decent work deficits in South Africa and developing focused strategies to address such deficits. A National Steering Committee for the South Africa Decent Work Country Programme (DWCP) comprised of representatives of the tripartite-plus constituents²⁷ within NEDLAC and the ILO was established to drive the DWCP and to institutionalize the oversight role of NEDLAC in the formulation, implementation and management of the DWCP.

The DWCP process began with a country situation analysis in 2006 that sought to describe and analyze key labour and social issues and policies in the country and to highlight major decent work deficits around which a DWCP for South Africa would be developed. However, the Country Situation Analysis report was not endorsed by the social partners who felt that it presented a flawed analysis of the country context. Eventually the social partners agreed to proceed with the DWCP process without a country situation analysis report. Further impetus was given to the DWCP process in July 2007 when the ILO engaged in preliminary consultations with NEDLAC ahead of the first national consultative workshop for the South Africa DWCP. At this consultative meeting the social partners outlined broad priority areas for the DWCP which came to define thematic areas for discussion at the first consultative workshop for the South Africa DWCP. This preliminary consultative meeting was followed by the first national consultative workshop held between the ILO and the NEDLAC constituents in April 2008. The first national consultative workshop also culminated in the establishment of the National Steering Committee for the South Africa DWCP. About 41 delegates representing the Government, Labour, Business and Community attended the first national consultative workshop.

During the first consultative workshop the NEDLAC constituents outlined key priority areas for the South Africa DWCP and requested the ILO to identify areas for which there is available expertise and which lie within the comparative advantage of the ILO to provide support. Subsequent to the first consultative workshop NEDLAC convened to develop a framework of priorities for the South Africa DWCP which was then submitted to the ILO and constituted the basis for the development of a draft DWCP for South Africa. A second consultative meeting of the National Steering Committee for the DWCP was held on 14 October 2009 where the social partners reviewed the draft DWCP document with particular focus on the draft outline of priority areas, outcomes and outputs that would define the framework for the DWCP. Members of the Steering Committee also made general comments on the draft document itself and requested additional time to consult extensively with their respective constituents before finalization of the document. Subsequent to the second consultative meeting of the Steering Committee, the ILO continued to have bilateral engagements with the social partners in an effort to get their further inputs into the DWCP document. The third meeting of the Steering Committee was held on 25 February 2010 to allow the partners to make specific inputs into the document following extensive consultations with their respective constituents. This meeting culminated in the setting up of a small drafting team comprised of a representative from Government, Organized Labour, Business and Community, that met on 12 March 2010 to assist the ILO in further revise the draft DWCP document. The Steering Committee met a fourth time to appraise the revised document and to endorse its finalization and before presenting it to the Management Committee of NEDLAC that was held on 25 March 2010.

The priorities around which the South Africa Decent Work Country Programme is based are as follows; *Strengthening fundamental principles and rights at work; promoting employment creation; strengthening and broadening coverage of social protection; and Strengthening Tri-partism and social dialogue.* These priority

²⁷ Tripartite-plus constituents in NEDLAC consist of Government, Organized Labour, Business and Community

areas are organized along the four strategic pillars of decent work and respond to key national development priorities aimed at promoting decent work and employment, and reducing poverty. Maintaining the four strategic pillars in the format contained in the decent work agenda was regarded as important to the social partners as it is a good way of reinforcing and building awareness on the concept and principles of decent work. The priorities for the South Africa Decent Work Country Programme are aligned with the ILO strategic objectives, key outcome areas outlined in the ILO Strategic Policy Framework 2010-2015, and the ILO Programme and Budget for the 2010-2011 Biennium. Furthermore, they respond to other Global and Regional commitments to which South Africa is a party, notably; the Decent Work Agenda for Africa 2007-2015; the Ouagadougou Declaration and Plan of Action (2004); and the SADC Regional Indicative Strategic Development Plan.

Programmes and strategies geared towards addressing the aforementioned priorities in the South Africa DWCP will contribute towards the attainment of South Africa's commitment to the Millennium Development Goals, in particular MDGs 1 & 4; the Ouagadougou Declaration and Plan of Action on Employment Promotion and Poverty Alleviation; the SADC Regional Strategic Plan; and the Africa Decent Work Agenda 2007-2015 (see policy relevance map in annex). Key among some of the objectives outlined in these regional and sub-regional policy development frameworks is the need to strengthen labour market governance through social dialogue, labour standards and rights at work to promote sound industrial relations; to promote extended coverage of social security to the economically marginalized sections of the population; to strengthen national efforts at curbing the spread and impact of HIV/AIDS; and to reduce poverty and unemployment through job rich growth.

In line with the provisions of the ILO Declaration on Social Justice for a Fair Globalization, strategies to be adopted in responding to the various priorities and their accompanying outcomes will take due account of the inseparable, interrelated and mutually supportive nature of the four strategic pillars of decent work. Thus the programmatic approach to be adopted in the implementation of the DWCP will necessitate collaborative work across all technical sectors of the ILO reflecting the integrated approach required by the Social Justice Declaration.

7.1 DECENT WORK COUNTRY PRIORITIES AND OUTCOMES

Based on the consultations held between the ILO and the tripartite-plus constituents, as well as the priorities outlined in key development frameworks and policies, the agreed priorities and outcomes for the South Africa DWCP are as follows:

PRIORITIES

- Strengthening fundamental principles and rights at work *through the ratification and implementation of International labour Standards; improved mechanisms for labour dispute resolution; improved labour administration for effective employment services and formalization of the informal sector*
- Promotion of employment creation *through an enabling environment for job rich growth, sustainable enterprises and skills development*
- Strengthening and broadening social protection coverage *through better managed and more equitable access to social security and health benefits, occupational safety and health, and improved workplace responses to the HIV/AIDS epidemic.*
- Strengthening tripartism and social dialogue through the *improved capacity of the tripartite-plus social dialogue institution and its constituent members, collective bargaining and labour dispute resolution institutions.*

OUTCOMES

- Up-to-date International Labour Standards are ratified, complied with and reported on
- Labour administrations apply up to-date labour legislation and provide effective services
- More women and men, especially youth and persons with disabilities, have access to productive and decent employment through inclusive job-rich growth
- Sustainable and competitive enterprises (including cooperatives) create productive and decent jobs especially among women, youth and persons with disabilities
- Skills development increases the employability of workers and the inclusiveness of growth
- More people have access to improved and more gender equitable social security and health benefits
- Workers and enterprises benefit from improved safety and healthy conditions at work
- The world of work responds effectively to the HIV&AIDS epidemic
- Strengthened labour market institutions and capacitated social partners (tripartite-plus) contribute to effective social dialogue and sound industrial relations

PRIORITY 1: Strengthening fundamental principles and rights at work

OUTCOME 1: *Up-to-date International Labour Standards are ratified, complied with and reported on.*

Indicator(s):

- Government and social partners apply international labour standards, and in accordance with issues raised by the supervisory bodies
- Up to-date conventions are ratified including those regarded as significant from the point of view of governance

STRATEGY

South Africa has ratified a total of 23 ILO Conventions of which 20 are currently in force (see Annex 1). However, there are a number of key conventions that provide a framework for regulating labour market governance which South Africa has not yet ratified. These include Conventions 122, 129, 150, 81, 183, 102, & 188 to mention a few. The implementation of ratified conventions has not always been effective owing to capacity challenges in ensuring compliance with such commitments, and the lack of adequate awareness of the provisions of such conventions. Comments by the Committee of Experts on the Application of Conventions and Recommendation indicate a need for strengthening national capacity towards the improved quality of reporting on ratified conventions and responding to comments of supervisory bodies.

ILO support will be directed towards improving the capacity of the social partners for compliance with and reporting on ratified conventions. Such support will also be aimed towards improving the turn around time for submission of reports on request by the Committee of Experts. Support will also be directed towards examining established ILO Conventions which South Africa might consider ratifying, in particular those aimed at strengthening labour market governance for the protection of workers' rights and promoting social security to help address the critical challenge of poverty and social exclusion affecting the majority of South Africans. Building on existing initiatives at the country level, support will be directed towards creating awareness on packages of fundamental governance. Efforts will also be made to support the involvement of all key Government departments as well as the social partners in the reporting process.

OUTPUTS

Output 1.1.: Relevant conventions to the South Africa context are reviewed for ratification, including those relating to Labour Market Governance, Gender and Social Security.

Output 1.2: Enhanced capacity of Government and Social Partners to implement and comply with and to report in accordance with the requirements of ratified conventions.

Output 1.3: Increased national awareness on the content of up-to-date ILO conventions, both ratified and those earmarked for ratification.

OUTCOME 2: *Labour administrations apply up to-date labour legislation and provide effective services*

Indicator(s):

- labour administration institutions apply up to-date labour legislation and provide effective services
- labour inspection system is strengthened in line with international labour standards

STRATEGY

Within the context of persistently high level of unemployment worsened by the impact of the global economic and financial crisis, Government is under immense pressure to strengthen its labour administration institutions to improve employment services, ensure compliance with labour standards through labour inspection, and to strengthen labour market governance in accordance with international labour standards. To ensure effective delivery on its key mandate, the Department of Labour has embarked on a process of re-organizing its structure and internal functions for improved delivery of services and to ensure compliance with labour standards. Against this context the ILO will do the following; provide technical and advisory support to the re-structuring of the department of Labour, to strengthen the inspectorate and inspection enforcement mechanisms, and to investigate the role of co-regulation in labour inspection. A review of existing laws relating to labour administration and inspection in particular establishing compatibility with ILO conventions No.81, 129, and 150 will form an integral part of the strategy. The ILO will also play a facilitative role in the ratification of relevant labour administration conventions such C81 and C150 and labour policy.

South Africa has an enabling legal and policy environment for promoting gender equality and has ratified two key gender conventions, C 100, on Equal Remuneration Convention, and C111 on Discrimination (Employment and Occupation). Implementation of ratified conventions has not always been effective owing to capacity challenges in ensuring compliance with such commitments. The ILO will provide support towards strengthening national capacity to enhance compliance with ratified conventions and the implementation of legislation adopted to promote gender equity in the workplace. Technical support will also be directed towards strengthening national capacity for the collection and generation of sex disaggregated data to allow gender analysis to be mainstreamed in all research and policy guidance on working and employment conditions.

OUTPUTS

Output 2.1: Support the internal functions and operations of the Department of Labour strengthened

Output 2.2: Labour inspection systems in the public and private sector strengthened

Output 2.3: Capacity of the Department of Labour to provide effective public employment services supported.

Output 2.4: Capacity of Government and Social Partners to promote gender equality at the workplace is strengthened.

PRIORITY 2: Employment Promotion

OUTCOME 3: *More women and men, especially youth and persons with disabilities, have access to productive and decent employment through inclusive job rich growth*

Indicator(s):

- Macro-economic policies establish a conducive environment for job-rich economic growth
- Labour market information and analyses systems generate and disseminate decent work related labour market data
- National capacity for employment intensive programmes that integrate aspects of decent work is increased for local development
- Labour market is reviewed to address decent work deficits in any forms of employment where there are decent work deficits.
- Legislation, regulations or policies are adopted that improve minimum wages (national or sectoral) whether established via statute or through collective bargaining
- Improved institutional capacity to develop and implement sound wage policies
- Adoption and implementation of policies that promote improved or more equitable working conditions, especially for the most vulnerable workers

STRATEGY:

South Africa faces a critical challenge of high unemployment and poverty particularly among youth, women and other vulnerable groups that has been exacerbated by the global economic and financial crisis starting in 2008. While South Africa's prudent fiscal management and strong economic fundamentals have helped to maintain a degree of macro-economic stability, the economy has been greatly affected by the global crisis resulting in huge job losses and a heightened threat to national efforts at promoting employment and decent work.

Within the context of the National Response Framework for mitigating the impact of the economic crisis, the ILO will partner with Government through a technical cooperation programme to do the following; provide technical and advisory support to Government and the Social Partners to enhance their capacity to implement the national framework agreement on the global financial and economic crisis, facilitate research in the following areas: trade policy and decent work; industrial policy and decent work; identification and sharing of international best practices of companies that have identified ways and means of avoiding/ minimizing retrenchments brought on by the global financial crisis; agriculture and decent work. In terms of this technical cooperation agreement, the ILO will also facilitate policy dialogue on the global jobs pact. ILO Support will also be directed towards the development of national indicators of decent work that can be used to monitor decent work trends over time and to strengthen national capacity to generate, analyze and disseminate decent work related data. Drawing on comparative international experiences, macro-economic policy options that promote decent work and employment outcomes will also be shared.

The roll-out of the Expanded Public Works Programme constitutes a critical component of the national response to the global economic crisis. Paying particular attention to vulnerable sectors of the population, in particular women, youth and other vulnerable groups the ILO will do the following; provide continued technical support to the national roll-out of the EPWP and other employment intensive programmes by building capacity for the adoption and application of labour intensive methods. Technical support will also be geared towards integrating rights, social protection and social dialogue aspects of the Decent Work Agenda within jobs created through the EPWP and other forms of employment where there are decent work deficits.

High levels of unemployment in South Africa have resulted in the expansion of the informal economy characterized by gross decent work deficits. Women and other vulnerable populations predominate as workers and operators in the informal sector that is remains highly unregulated. The labour market has

also witnessed a rise in atypical forms of work, some of which have exposed workers to unacceptable conditions of work and exploitation. Against the challenge of increasing informalization and atypical forms of work that subject workers to poor conditions of work and exploitation, the ILO will do the following; support national efforts at reviewing the labour market vis a vis employment relationships; share comparative experiences on strengthening the employment relationship thus ensuring that temporary employment and private employment services comply with the decent work agenda; support towards resourcing structures that are meant to enforce necessary regulation as this has been a huge challenge in the past; support on-going national initiatives to ensure the application of labour standards to protect the rights of workers in the informal economy and those engaged in non-standard forms of employment; provide policy advisory support towards the adoption and application of labour standards and support to workers and operators in the informal sector in an effort to regulate and strengthen the informal economy and to address decent work deficits that have come to be a defining feature of this sector.

Mitigating the impact of the crisis in the informal sector to promote decent work conditions and environmentally friendly livelihoods requires the involvement of local government authorities in the economic recovery plan. The ILO will support on-going initiatives to enhance the capacity of local government structures to adopt Local Economic Development strategies that promote retention of employment and existing livelihoods, as well as the promotion of local social protection schemes as their contribution to economic recovery. The creation of green jobs is also a critical response strategy in the National Response Framework to mitigate the impact of the global economic crisis. Building on existing initiatives the ILO will provide policy advisory and technical support for employment intensive investment in 'green' production within sectors of the economy with high labour absorbing potential.

South Africa has high levels of absolute poverty and deep income inequalities. While poverty and unemployment are closely linked, access to employment does not necessarily eradicate poverty. A significant majority of the SA population in the labour market earn very low wages sparking an on-going debate among the social partners on what constitutes the poverty line and in determining the minimum wage. The ILO will support research based policy and technical advice in the area of wages and incomes trends to guide policy on wages, and minimum wage setting. Technical and advisory support will also be given to on-going initiatives aimed at strengthening the capacity of Bargaining Councils and the Employment Conditions Commission for minimum wage determination.

OUTPUTS

- Output 3.1:** Macro-economic policy strengthened to support employment and decent work outcomes
- Output 3.2:** Strengthened national capacity to analyze and access data on decent work following locally relevant indicators
- Output 3.3:** Strengthened national capacity for the adoption of labour intensive methods to implement sustainable employment-intensive programmes that also integrate rights, social protection and social dialogue
- Output 3.4:** Labour market reviewed to address the employment relationship in atypical forms of work.
- Output 3.5:** Policy options identified to improve working conditions for the most vulnerable workers, with particular focus on the informal economy.

- Output 3.6:** Capacity of local government authorities is enhanced to adopt local economic development strategies that promote the creation and retention of decent work
- Output 3.7:** Coherent policy framework developed for the adoption of employment intensive investments in green production in both the formal and informal economies.
- Output 3.8:** The capacity of the Employment Conditions Commission strengthened for minimum wage determination
- Output 3.9:** Strengthened national capacities for the development of research based wage policy design and minimum wage setting, including consideration of a living wage.

OUTCOME 4: *Sustainable and competitive enterprises (including cooperatives) create productive and decent jobs especially among women, youth and persons with disabilities.*

Indicator(s):

- Enabling policy and regulatory reforms exist for sustainable enterprises and a conducive environment for sustainable enterprises
- Programmes that foster the adoption of responsible and sustainable enterprise level practices are implemented
- Government and the social partners undertake initiatives in policy areas that facilitate transition of informal activities to formality

Strategy:

In their search for strategies to mitigate the impact of the global economic and financial crisis on the vulnerable, the Government of South Africa pays increasing attention towards the development of the social economy and the strengthening of SMMEs. SMMEs such as group cooperative enterprises and social businesses which are components of the social economy have been identified by the social partners as one of a variety of viable and sustainable economic enterprises that can help to alleviate pressure on the local labour market. The impact of the global economic crisis has not only resulted in huge jobs losses but threatens the promotion of decent work conditions in both large and small enterprises. To support national initiatives at creating sustainable job opportunities and to alleviate unemployment and poverty the ILO will do the following; provide technical and policy advisory support to create an enabling environment for enterprise development, and social economy interventions, including cooperatives group enterprise development; technical support towards the promotion of competitive and responsible enterprises and to strengthen Government's institutional capacity to redress existing gender imbalances in enterprise development through approaches and activities aimed specifically at women and small enterprise initiatives that are gender sensitive. Focus will also be directed towards supporting on-going initiatives towards strengthening policy coherence for the creation of an environment conducive to entrepreneurship, increasing market access of SMMEs and strengthening the creation of sustainable and competitive enterprise activity. Support will also be provided towards strengthening the policy environment for SMMEs in the informal economy, and towards supporting on-going initiatives to promote and strengthen rural based initiatives. Working in partnership with key stakeholders the ILO will provide technical support to on-going initiatives to promote and strengthen selected priority sectors in terms of the Industrial Policy framework that are targeted for economic growth and their labour absorption potential. The National Anti-Poverty strategy provides a policy framework that will guide programmes targeted at the most vulnerable sectors of the population to address poverty.

The strategy of intervention for enterprise development will adopt a systemic enterprise development approach focusing on micro, meso, macro and meta level interventions. At the micro level, direct

technical assistance will be provided to primary beneficiaries through training, market linkage support among others, to help enhance their capacity to start up and sustain their businesses; meso level interventions will be geared towards strengthening the capacity of business development support services; macro level interventions will focus on creating an enabling policy and legal environment for the promotion of sustainable enterprises; and finally meta level interventions will be geared towards changing perceptions and values for the adoption of new and innovative entrepreneurial activities.

OUTPUTS

- Output 4.1:** Facilitated access by SMMEs to markets.
- Output 4.2:** Support for a coherent and enabling policy environment for the promotion of sustainable enterprises.
- Output 4.3:** Support for the upgrading and promotion of Social Economy enterprises (including cooperatives).
- Output 4.4:** Support for the growth of rural based small and medium scale businesses strengthened
- Output 4.5:** Support for increased competitiveness of large scale enterprises
- Output 4.6:** Support for an enabling environment strengthened for women entrepreneurs to grow their businesses

OUTCOME 5: *Skills development increases the employability of workers and the inclusiveness of growth*

Indicator(s):

- The Government of South Africa in consultation with workers and employers make skills development policies and programmes responsive to the labour market

STRATEGY

One of the biggest constraints to growth and causes of unemployment relates to the serious shortage of skilled labour including professional skills such as engineers and scientists, managers such as financial, personnel and project managers and skilled technical employees such as artisans and IT Technicians with an emphasis on software engineering and business intelligence skills. The emerging priority is to enhance the impact of skills strategies on the labour market and to strengthen the functioning of skills development institutions to address the skills shortage particularly among the youth and to enhance enterprise level productivity and competitiveness. Against this background, the ILO will provide technical and advisory support to on-going processes initiated by the social partners to strengthen skills development policies and programmes including quality assurance. Technical and advisory support will also be directed towards enhancing the responsiveness of skills development institutions to the requirements of the labour market and industry.

OUTPUTS

- Output 5.1:** Capacity of national skills development institutions to respond to the requirements of the labour market strengthened.
- Output 5.2:** Improved enterprise level productivity and competitiveness through relevant skills training.

PRIORITY 3: Strengthening and Broadening Social Protection

OUTCOME 6: *More people have access to better managed and more gender equitable social security benefits*

Indicator(s):

- Existence of policy reform to improve and extend social security coverage, *including the informal sector*
- Legislation exists to improve performance, management and governance for extended social security system coverage

STRATEGY

While Government has made considerable progress towards establishing a Comprehensive Social Security system since 1994 much of that work has focused on Social Assistance. The development of the social insurance system has lagged far behind in both scope and coherence. There is no mandatory retirement or health insurance provision in the country and as far as retirement and healthcare cover is concerned, the major insurance mechanism for those in employment has been mostly through collective bargaining arrangements, employer mandates and active private insurance. The result has been an incoherent, expensive and poorly regulated system of protection that fails the most basic social security tests of universal coverage, mandatory participation and adequate regulation. Sectors that have traditionally provided for social security benefits for employees find that that costs thereof are increasingly prohibitive.

The social insurance system does not extend to South Africans outside the formal wage economy and to those engaged in precarious work situations as in the informal sector. Similarly, social security coverage does not extend to foreign African migrant workers and their families. Regular migrant workers often face huge constraints regarding the portability of social security benefits if they return to their countries of origin.

Working in close partnership with Government and the social partners, the ILO will provide support to on-going initiatives to drive the development of a comprehensive policy dealing with the reform of the retirement system and social security reform and to provide assistance to national efforts at developing a better managed and broader social security system. Drawing on international best practices, policy advisory support will be provided towards the extension of social security to the informal sector and to non-standard forms of employment. Support will also be directed towards facilitating foreign migrants' access to social security benefits in their countries of origin. The ILO will provide technical support exploring the financial and fiscal feasibility of extending social security to the informal economy and the potential impact this will have on poverty and inequality. The ILO will share international best practices on the application of universal income protection policies to contribute to the on-going debate on expanded social security. Support will also be directed towards strengthening the capacity of Government and the Social Partners for enhanced social security governance.

OUTPUTS

Output 6.1: Support for a new and more inclusive mandatory social security system.

Output 6.2: Policy and benchmarking support for the provision of social security and health benefits to those in the informal economy and those in non-standard work.

Output 6.3: Policy and research support for the establishment of a National Health Insurance.

Output 6.4: Support national capacity for strengthened social security governance.

Output 6.5: Explore policies to promote universal income protection.

Output 6.6: Support for social security coverage to migrant workers (including portability of benefits)

OUTCOME 7: *Workers and enterprises benefit from improved safety and healthy conditions at work*

Indicator(s):

- Policies and programmes are adopted to promote improved safety and health at work
- Tripartite constituents implement programmes to promote improved safety and health at work

STRATEGY

South Africa has an enabling legislative and policy environment for the protection of workers and to ensure workers' health and safety rights. However, there is still a high incidence of occupational injuries and fatalities in some of the key sectors of the economy such as mining, construction and agriculture. Labour inspection to ensure compliance with safety and health regulations at work is still a challenge. Occupational Health and Safety (OHS) policies also across Government departments tend to be fragmented. Competencies for the efficient delivery of the Compensation Fund are weak calling for the improved functioning of the Compensation Fund.

ILO support will be directed towards supporting existing initiatives aimed at strengthening national capacity for the enforcement of safety and health regulations; improvement of workplace safety and to strengthen labour inspection for compliance with safety and health regulations in the public and private sectors. Advisory support will be geared towards the promotion of an OHS preventative culture and voluntary compliance with safety and health regulations. Technical policy advisory support will be directed towards strengthening the governance of the Compensation Fund.

OUTPUTS

- Output 7.1:** Labour inspection strengthened to promote safety and health in the public and private sectors.
- Output 7.2:** Capacity of workers and employers' organizations for voluntary compliance with safety and health regulations to improve workplace safety strengthened.
- Output 7.3:** Occupational Safety and Health Legislation and regulations reviewed to improve workplace safety
- Output 7.4:** Support for extending Occupational Safety and Health to the informal economy
- Output 7.5:** Support to strengthen the Compensation Fund

OUTCOME 8: *The World of Work responds effectively to the HIV&AIDS epidemic*

Indicator(s):

- Tripartite constituents take significant action to implement HIV&AIDS programmes at the workplace
- HIV/AIDS monitoring and evaluation systems are in place

STRATEGY:

The epidemic poses a serious threat to all sectors and levels of the economy affecting mainly the skilled and able-bodied workforce. It has also exacerbated income insecurity among many poor households that lose their income earners through illness and death. Government and the social partners have made significant progress in initiating workplace responses to the HIV epidemic. However, consultations held with the social partners reveal a need for further capacity support to implement effective workplace

responses to HIV& AIDS. The South African Business Coalition against HIV&AIDS (SABCOHA) has developed a programme and toolkit for HIV/AIDS care and prevention for SMEs to be applied at the workplace. The challenge for the SME sector lies in sourcing funding to ensure effective roll-out of the programme. Further, while many large enterprises have comprehensive HIV/AIDS strategies these could be extended to sectors and supply chains if there were appropriate support and financing. Building on prior and on-going initiatives, policies and programmes, the ILO will provide technical support and facilitate access to financial support to the roll-out of workplace based HIV/AIDS interventions, focusing on the informal economy, SMMEs and large enterprises. Support to resource mobilization efforts will also be provided to ensure the effective roll-out of programmes and strategies.

The South African National AIDS Council has identified the development of a monitoring and evaluation system for the implementation of the National Strategic Plan on HIV/AIDS as a priority. Particular interest for the social partners lies in ensuring the development of appropriate tools to monitor and evaluate HIV/AIDS workplace responses. Building on on-going initiatives to ensure an effective monitoring and evaluation system for the implementation of the NSP, the ILO will make technical inputs into developing tools to assess workplace interventions on HIV/AIDS.

OUTPUTS

Output 8.1: Capacity of trade union and employer organizations to develop, secure financing and to implement HIV/AIDS workplace policies and programmes is strengthened.

Output 8.2: HIV/AIDS workplace programmes strengthened and rolled out in the informal and formal economies.

Output 8.3: The capacity of Government and the Social Partners to monitor and evaluate HIV/AIDS programmes in the workplace is strengthened.

PRIORITY 4: Strengthening tripartism and social dialogue

OUTCOME 9: *Strengthened labour market institutions and capacitated social partners (tripartite-plus) contribute to effective social dialogue and sound industrial relations.*

Indicator(s):

- Social dialogue and labour market institutions strengthened and mechanisms function in line with international labour standards
- Machinery for collective bargaining, and labour dispute settlements are strengthened in line with international labour standards
- Employers and Workers' Organizations extend services to respond to the needs of existing and potential members
- The capacity of social partners (tripartite plus) is enhanced to participate effectively in the development of social and labour policy

STRATEGY:

Within the context of constituents' priority for the institutional capacity of NEDLAC to be strengthened, the ILO will do the following; support prior and on-going programmes initiated by the social partners to strengthen the effectiveness and institutional capacity of NEDLAC for social dialogue and to strengthen the capacity of NEDLAC and that of the social partners to influence social and economic policy more effectively. The ILO will also support existing initiatives aimed at strengthening the capacity of the constituents to engage more effectively in collective bargaining processes as well. Complementing prior

and on-going national initiatives, ILO will provide support towards strengthening the institutional capacity of Bargaining Councils.

Within the context of constituents' priority for strengthening the institutional capacity of Bargaining Councils, and in the light of capacity challenges faced by Bargaining Councils, the ILO will do the following; support prior and on-going national initiatives aimed at strengthening the institutional capacity of Bargaining Councils including enhancing and modernizing their administration systems, training and refocusing staff within bargaining councils to address challenges faced by workers and industry. Technical and advisory support will also be directed towards existing initiatives geared towards strengthening the capacity of the constituents to engage more effectively in collective bargaining processes as well.

Within the context of the considerable strain carried by labour adjudication and dispute resolution institutions in the face of high referral rates of labour disputes, the ILO will do the following; provide advisory support towards a more effective management of labour disputes, and share comparative experiences in labour dispute resolution.

The Southern African Development Community (SADC) in which South Africa is a critical role player both economically and politically has also been adversely affected by the global economic crisis. A study commissioned by BUSA to assess the impact of the global economic crisis on selected SADC countries revealed that the crisis will have long term economic and social impacts on countries in the SADC. Addressing the impact of the crisis at sub-regional level will necessitate dialogue among the SADC countries around the Global Jobs Pact and towards the development of a sub-regional decent work programme. In terms of this, the ILO will support technical and advisory support towards South Africa's engagement in the development of a decent work programme for the SADC sub-region.

OUTPUTS

- Output 9.1:** Institutional capacity of NEDLAC and other labour market institutions supported.
- Output 9.2:** Capacity of social partners to engage more effectively in social dialogue is enhanced.
- Output 9.3:** The capacity of workers' and employers' organizations, and bargaining councils is strengthened to engage more effectively in collective bargaining processes.
- Output 9.4:** Capacity of workers' and employers' organizations to extend services to existing and potential members in the informal economy strengthened.
- Output 9.5:** Capacity of the Council for Conciliation, Mediation & Arbitration (CCMA) and accredited Bargaining Councils strengthened for effective labour dispute resolution.
- Output 9.6:** Support for South Africa's participation in the development and implementation of a SADC Decent Work programme.

8. MANAGEMENT AND INSTITUTIONAL ARRANGEMENTS

8.1 Structure of the Decent Work Country Programme Steering Committee

The formulation, implementation and management oversight role for the South Africa Decent Work Country Programme (DWCP) will be driven within NEDLAC structures through a National Steering Committee. The National Steering Committee for the South Africa DWCP is comprised of key representatives from Government, Organized Labour, Business and Community within NEDLAC and senior management from the Pretoria ILO Office. The Steering Committee will convene at least twice a year to monitor and review implementation of the DWCP.

A Technical Committee for the DWCP Steering Committee will be established, consisting of one delegate and one alternate representative from each social partner who are also part of the DWCP Steering Committee. The Technical Committee will be established to oversee the formulation and planning of projects and activities developed within the framework of the DWCP and to approve projects before their implementation. This will be done to ensure that projects and activities formulated reflect constituents' priorities. Furthermore, in planning for the implementation of the DWCP, the Technical Committee will engage in a prioritization of programme outcomes and outputs for implementation during the first and second biennium in the DWCP cycle.

8.2 Role of the ILO

The ILO Pretoria Office Director and DWCP Manager

The Director in the Pretoria ILO Office will assume overall responsibility for managing the implementation of the Decent Work Country Programme in close consultation with the Technical Committee of the DWCP. A dedicated DWCP Manager will be appointed to manage and coordinate the implementation of the DWCP on behalf of and reporting to the ILO Director. Based in the Programming Unit of the ILO Pretoria Office, the DWCP Manager will also be the key point of contact for the DWCP.

ILO Specialists, Regional Office for Africa and Technical Departments in Geneva

Each project that is developed to execute aspects of the DWCP will be managed by a National Project Coordinator who is a full-time employee on an ILO contract. She/He is supported by a Finance and Administrative Assistant. Each project is in turn supervised by the respective Specialist from a Technical Area within which the project falls. The Specialist works hand in hand with the relevant technical department in Geneva.

On the other hand, the ILO Regional Office for Africa (ROAF) provides technical, financial and administrative support in the implementation of all areas of work managed by the ILO Pretoria Office.

Thematic Advisory Committees and Project Advisory Committees

Thematic Advisory Committees will be established per each of the four priority areas of the DWCP to provide technical guidance to relevant programmes/projects and to review progress on implementation. Membership in Thematic Advisory Committee will comprise of representatives from Government and the Social Partners, Donor agencies, the ILO Management, ILO Technical Specialists and National Project Coordinators. Project Advisory Committees will also be set up to provide project specific technical guidance and support and each will comprise of the relevant project partners representing Government and the Social Partners, relevant donor agency funding the project, ILO Management, Technical Specialists and a National Project Coordinator.

Resource Mobilization

The ILO will share the responsibility for resource mobilization with Government and the Social Partners to expedite the timely implementation of projects and activities emerging from the DWCP. To this end,

resources will be mobilized from multi-lateral donors, internal ILO funding, and at times through cost sharing mechanisms with Government and the Social Partners. Project formulation, implementation and management will be done through Technical Cooperation projects funded largely by donor agencies, and at times Government and the Social Partners.

8.3 Role of Government and the Social Partners

Government and the Social Partners will provide overall strategic guidance to the implementation and monitoring and evaluation of the DWCP. Government and the Social Partners will also provide technical inputs in the formulation of projects and in the development of Terms of Reference for all new projects. The partners will also participate in Thematic Advisory Committee and Project Advisory Committee meetings to review progress of projects implemented, and facilitate partnerships for the implementation of DWCP. Government and the Social Partners will share responsibility with the ILO to mobilize resources to fund programmes and projects, and in some cases cost-share activities and projects. The partners will be actively involved in the recruitment of National Professionals for purposes of providing technical backstopping support to projects.

8.4 Communication

The Programme Manager will share regular implementation updates on the DWCP with the Social Partners. Such updates will include semi-annual and annual reports of projects, mid-term reviews and end of project evaluation reports. The technical reports will be accompanied by financial expenditure reports to give indication of delivery and to highlight possible resource gaps for the implementation of the DWCP. Minutes of meetings of project Steering Committees will be filed by the Programme Manager and shared periodically with the Social Partners.

8.5 Monitoring and Evaluation

The Technical Committee for the DWCP will identify key monitoring indicators for the DWCP outcomes and outputs which will be used to review and evaluate implementation of the DWCP. The Steering Committee will meet bi-annually to review updates and reports on outcomes, outputs and activities undertaken within the framework of the DWCP. An updated Projects Matrix will also be presented during review meetings of the DWCP. The evaluation of the DWCP will be conducted every two years to coincide with the end of ILO Biennium Programme and Budget cycles.

The DWCP programme presents a roadmap for the implementation of the South Africa Decent Work Agenda over a five year period. During this time, the DWCP will be reviewed regularly to ensure relevance to emerging development priorities during the life cycle of the programme.

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ANNEX 1
List of Ratified ILO Labour Conventions

List of Ratifications of International Labour Conventions

Membership: 1919-1966 and 1994 to-date		23 Conventions Ratified and 20 in force
C. 2	Unemployment Convention, 1919 (No2)	20.02.1924
C. 19	Equality of Treatment (Accident Compensation) Convention, 1925 (No.19)	30.03.1926
C. 26	Minimum Wage Fixing Machinery Convention, 1928 (No.26)	28.12.1932
C. 29	Forced Labour Convention, 1930, (No.29)	5.03. 1997
C. 42	Workmen's Compensation (Occupational Diseases) Convention (Revised) 1934, (No.42)	26.02.1952
C. 45	Underground Work (Women) Convention, 1935 (No. 45)	25.06.1936
C. 63	Convention Concerning Status on Wages and Hours of Work, 1938 (No.63)	8. 08. 1939
C. 80	Final Articles Revision Convention, 1946 (No.80)	19.06.1947
C. 87	Freedom of Association and Protection of the Right to Organize Convention, 1948 (No.87)	19.02.1996
C. 89	Night Work (Women) Convention Revised, 1948 (No. 89)	2.03. 1950
C. 98	Right to Organize and Collective Bargaining, 1949, (No.98)	19.02.1996
C. 100	Equal Remuneration Convention, 1951, No.100	30.03.2000
C.105	Abolition of Forced Labour Convention, 1957 (No.105)	5.03. 1997
C.111	Discrimination (Employment and Occupation) Convention, 1958 (No.111)	5.03.1997
C. 116	Final Articles Revision Convention, 1961 (No. 116)	9.08.1963
C. 138	Minimum Age Convention, 1973 (No. 138) <i>Minimum age specified: 15 years</i>	30.03.2000
C. 144	Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)	18.02.2003
C. 155	Occupational Safety and Health Convention, 1981 (No. 155)	18.02.2003
C. 176	Safety and Health in Mines Convention, 1995 (No. 176)	9.06.2000
C. 182	Worst Forms of Child Labour Convention, 1999 (No. 182)	7.06.2000
Conditional ratification		
C. 27	Marking of Weight (Packages Transported by Vessels) Convention, 1929 (No. 27)	21.02.1933
Denunciation		
C.4	Night Work (Women) Convention, 1919 (No. 4) Denounced on 20.10.1935	1.11.1921
Denunciation (as a result of the ratification of Convention No. 89)		
C. 41	Night Work (Women) Convention (Revised), 1934 (No. 41) Denounced on 2.03.1950	28.05.1935

ANNEX 2

Additional National Policies and Strategies

Key National Policy and Development Frameworks

The following is a brief description of additional development and policy frameworks established by Government to address South Africa's key social and economic challenges and to tackle major decent work deficits in the country (See annex for additional policy frameworks):

i) The Medium Term Strategic Framework and Programme of Action 2009-2014: provides a framework to address the key objectives of Government's electoral mandate period 2009-2014 which include the following; halving poverty and unemployment by 2014, ensuring a more equitable distribution of the benefits of economic growth and the reduction of poverty.

ii) Draft Anti-Poverty Strategy for South Africa: the overall objective of the draft Anti-Poverty Strategy is to eradicate poverty by creating economic opportunities and enabling or empowering communities and individuals to access these opportunities. The Anti-Poverty Strategy targets the most vulnerable sectors of the population such as the elderly, the unemployed, especially unemployed youth, women, children and people with disabilities.

iii) The joint Initiative on Priority Skills Acquisition (JIPSA): the Joint Initiative on Priority Skills Acquisition (JIPSA), is a critical component of AsgiSA that was launched in 2006 to identify solutions to skills shortages critical for economic growth and development. A joint initiative between Government, Organized Labour and Business, JIPSA is a short to medium term mechanism to fast track the objectives of the National Skills Development Strategy and to prioritize the acquisition of skills necessary for accelerated and shared growth.

iv) The National Youth Policy: is a framework for youth development across the country and provides a foundation for youth participation in socio-economic development. One of the key objectives of the National Youth Policy is to develop an effective, coordinated and holistic response to the issues facing young women and men. Certain priority target groups such as young women, the disabled, and previously disadvantaged youth are identified for particular attention due to the specific difficulties they face.

v) The National Youth Development Agency bill: the National Youth Development Agency bill provides for the establishment of a National Youth Development Agency aimed at coordinating youth development. Redressing the imbalances of the past relating to the various forms of disadvantages suffered by the youth generally and specific groups of youth, the bill aims to facilitate the economic participation and empowerment of the youth.

vi) The National Gender Policy Framework: establishes a vision and framework to guide the process of developing laws, policies, procedures and practices to ensure equal rights and opportunities for women and men. The main objectives of the national gender policy are to create an enabling policy environment for gender equality through policies, programmes, structures and mechanisms that empower women and transform gender relations in all aspects of work.

ANNEX 3
Inventory of Past and Current ILO Technical Cooperation Projects

Past Technical Cooperation Projects

1) *Towards the Elimination of the Worst Forms of Child labour (TECL I)*: Phase one of the TECL project that ended in June 2008 operated through an existing national framework, the Child Labour Programme of Action (CPLA) that provides a roadmap to the prevention, reduction and eventual elimination of child labour affecting an estimated one million children in the country. TECL1 contributed significantly towards raising awareness about the challenges of child labour in the country, in particular the worst forms of child labour. The project also went a long way towards influencing the amendment of existing or draft legislation that addresses child labour issues. These pieces of law (excluding the latter) now contain significant provisions which improve the services to children involved in or at risk of child labour, including its worst forms.

2) *Strategic HIV/AIDS responses in Enterprises project*: this USDOL funded HIV&AIDS project that ended in June 2008 sought to increase the capacity of ILO constituents to design and implement gender-sensitive HIV&AIDS workplace education and behaviour change.

3) *The VW/ GTZ/ILO (Global Compact and Safety and Health Culture) project*: the VW/GTZ/ILO project was part of a UN Global Compact Initiative aimed at raising levels of Occupational Safety and Health and improving working conditions in VW supplier workplaces. Specific focus in South Africa was geared towards raising levels of awareness on the significance of Occupational Safety & Health, and to improve working conditions in VW supplier workplaces.

The evaluation of the project revealed that it was very successful at enterprise level where all partners gained from better working conditions, and where there was more of a preventative OSH culture and better productivity as a result. The overall project aim was not achieved mainly because of difficulties of scaling up successes at the enterprise level to the national level within the time and resource constraints of the project.

4) *The ILO/Swiss project for Enterprise Competitiveness Development in South Africa*: the ILO/Swiss project on Enterprise Competitiveness Development in South Africa that ended in early 2008, sought to strengthen operational efficiencies and competitiveness at enterprise level through multifaceted interventions including dialogue driven innovations in work practices, the promotion of sound relations and the general promotion of decent work among others. The key development objective of the project was to enhance enterprise performance so as to encourage an appreciation of competitiveness as key to engaging the global economy.

Current ILO Technical Cooperation Projects

5) *Improving the quality and reliability of Labour Statistics*: the ILO provides technical support to Statistics South Africa (STATSSA) to produce, analyse and disseminate accurate, timely and policy relevant labour statistics. The ILO also provides capacity building support on labour statistics to the Department of Labour through the Department's Labour Associate Expert Programme, AEP.

6) *The Expanded Public Works Programme*: the EPWP is one of Government's flagship programmes targeted at reducing poverty and improving the livelihoods of the poor through the creation of employment opportunities in the delivery of essential infrastructure and services. The ILO provides technical and policy advisory support to the EPWP at both national and provincial (Limpopo) level on labour intensive methods of employment.

- 7) ***Piloting Social Entrepreneurship Development in South Africa***: this pilot project which commenced in January 2009 aims to boost employment opportunities for youth among the historically disadvantaged in South Africa through the promotion of social service businesses. The project aims to provide both financial and non-financial social business start-up support services for young people; and to stimulate the demand for social business start-up training and related services.
- 8) ***Towards the Elimination of Worst Forms of Child Labour (TECL II with a focus on HIV&AIDS)***: TECL II project which began in September 2008 builds upon the work started during phase 1 of TECL in strengthening national capacity for mainstreaming child labour issues and concerns into key government policies and programme. TECL II also aims to provide technical advice in monitoring implementation of the Child Labour Programme of Action (CLPA) and to assess the impact of mainstreaming child labour into government policies and programmes. TECL II is expected to end in March 2012.
- 9) **Women Entrepreneurship Development and Gender Equality (WEDGE)**: The objective of the WEDGE project which started in early 2009 is to ensure that women have equal access to economic resources and business support to enable them to start, formalize and grow their businesses.
- 10) **Sustainability through Competitive and Responsible Enterprises Programme (Score)**: the South Africa Country level Score project focuses on promoting competitive and sustainable Small Enterprise development within the Wildlife Tourism sub-sector. Addressing the high unemployment levels in selected rural provinces (NorthWest and the Eastern Cape provinces), the Score project will provide technical support towards the promotion of sustainable wildlife tourism businesses
- 11) **South African Youth – Jobs for the Unemployed and Marginalized to Escape from Poverty (SAY-Jump)**: targeting unemployed and marginalized young women and men, the SAY Jump project seeks to contribute to national efforts at alleviating poverty in South Africa through the creation of decent and sustainable jobs.
- 12) **HIV&AIDS Prevention in the Transport Sector**: The South Africa component of this sub-regional programme focuses on addressing vulnerabilities of workers operating in the transport sector. Working closely with Government Ministries responsible for transport and labour the project has contributed towards building capacity for HIV&AIDS policy development and in the drafting of the HIV&AIDS policy for the transport sector. Further support was directed towards mainstreaming HIV&AIDS in the sector and in supporting Government to develop a monitoring and evaluation system.

