**Presidential Social Sector Summit 2022**

*“Fostering social cohesion to enable socio-economic participation in communities”*

Birchwood Conference Centre

04-05 August 2022

**Input by TW Nxesi MP**

**Minister of Employment and Labour:**

*“Moving towards social compacting: from concept to practice”*

**Protocol:**

* Programme director
* Minister of Social Development
* Minister of Health
* The Premier of Gauteng province
* Government leaders and officials
* Representatives of labour and business
* Most importantly representatives of the social sector and civil society: non-profit organisations, community-based organisation, faith-based organisations – all those who on a daily basis, in difficult conditions, support people in need and strive to combat poverty, hunger, disease and social ills
* Ladies and gentlemen

Thank you for inviting me to participate in this important occasion. Allow me to acknowledge President Ramaphosa for initiating this process and Minister Zulu and her team for organizing it.

Let me begin with a moment of reflection: you will know that this Summit was scheduled to take place three years ago…. Then came the Covid19 pandemic. Cast your mind back to the early days of the pandemic:

* we didn’t know what it was
* family and friends were getting infected
* we were scared
* over 100,000 fellow South Africans died…. But as a society we survived and in some ways grew stronger.

Let me list some of the positives to emerge from the pandemic which are of direct relevance to this Summit:

* I believe that social solidarity was strengthened – symbolized by the nightly loud demonstrations in support of medical personnel on the front line of combatting the pandemic.
* Social solidarity also took a more concrete monetary form:
  + The Solidarity Fund
  + The UIF Ters Covid19 benefit payments for workers laid off due to the lockdown;
  + More broadly the Social Development Grants – availed to people who had never before qualified for state support.
* Of course the pandemic also exposed massive gaps in our systems of social protection:
  + UIF was geared up to cater only for the traditional employment relationship of employer and employee. It offered nothing to those in new forms of work – the gig economy, the so-called self-employed, precarious work etc. Nedlac is seized with addressing this issue.
  + Whole sections of our society - particularly the informal sector - remain outside the net of social protection.
* I believe that, as a society, we are emerging from the pandemic – and let us not forget that the Covid19 is still with us – but we have a much clearer understanding of the need to support each other in the face of persistent unemployment and poverty.

One final lesson: we have seen that internationally, in their response to the pandemic, some societies tore themselves apart. This did not happen in South Africa where we were able to mount an ‘all-of-society’ response to the pandemic. This was in large part, I believe, due to our long tradition of social dialogue and social compacting:

* Exemplified by the Codesa process, and
* Institutionalized in our collective bargaining system and Nedlac.

It was Nedlac which facilitated this ‘all-of-society’ response to the pandemic bringing together the social partners - labour, business, the social sector and government - to agree on major interventions to cushion the broader citizenry from the adverse effects of Covid-19 and the lockdowns.

It is against this background - 30 years of social dialogue and the experiences of the pandemic - that the President, at the beginning of this year, called for engagement and a new social compact to address the socio-economic challenges facing South Africa. This Summit, I believe, is an important part of that process.

**SOCIAL COMPACTING**

Since the onset of democracy South Africa’s social partners have sought to forge social compacts. At a national level, these include:

* the 1999 Jobs Summit,
* the 2003 Growth and Development Summit,
* the 2008/9 Framework Agreement,
* a series of five social accords on specific themes adopted between 2011 and 2013,
* the 2018 Jobs Summit Agreement,
* the 2019 Eskom social compact, and more recently
* the 2020 Economic Recovery and Reconstruction Framework (ERRP).

The process of developing a social compact is one of bringing together stakeholders with sometimes conflicting interests and agendas. It is therefore a process that requires parties to be willing to compromise and not be married to their positions. Ultimately, every society must decide on the values and principles that are most important and the social compact should facilitate their realisation.

Social partners – government, labour, business and the community sector – and South Africans at large are compelled, at this critical juncture, to drive the recovery.

We all need to join hands and become more innovative in confronting the complex challenges we face and take the country onto a higher growth path. The aim should not merely be to ‘build back better’; but to go beyond where we were before the poly-crisis by ‘building forward differently’.

A new social compact must include meaningful trade-offs and demonstrate new progress in critical areas:

* A new social compact should **outline the principles of a “new consensus”**, beyond merely specific actions or interventions.
* This consensus must enable **decisive action** on interventions whose scale is large enough to place the country on a clear path of recovery.
* The social compact should resolve the current impasse on long-standing areas of disagreement or stalemate, and should not only include issues where broad agreement already exists.
* The agreement should build on the ERRP (Economic Reconstruction and Recovery Programme), but extend beyond it – it must be seen as a fresh approach that will shift the needle on economic growth.
* The focus should be on fewer priorities (“big ticket items”) where consensus is required, not a laundry list of initiatives or a comprehensive plan – learning from the weaknesses of the ERRP.
* The social compact must include commitments from each social partner, not only actions that government will take - but what all partners can contribute.

Key lessons and observations from our past compacting include:

* the absence of an overarching vision to inform the individual efforts, and
* the need for credible and clear growth which must feed into our approach as we move into bilateral and multilateral negotiations with social partners.

A further weakness of previous compacts was the poor monitoring and accountability mechanisms. Although this was a major focus in the 2018 Jobs Summit Framework - of holding all social partners accountable - and having some success through the monthly reporting meetings – this too had challenges in terms of ensuring that all partners accounted for their responsibilities. The Framework unfortunately came to a halt as a result of the COVID-19 pandemic.

We need a common understanding of our challenges and then having a common vision and shared set of values that places the collective and national interest above any sectional interests.

We must also endeavor not to leave anyone behind. We therefore need to broaden our consultation and participation wider and beyond Government and the NEDLAC social partners. It must also include an element of social protection – to support the most vulnerable sections of the society.

This Summit therefore comes at an opportune time for the Community Constituency, where you are able to broaden the mandate to take forward to the next consultations on Social Compacting at NEDLAC post the Summit.

I look forward to such engagements, and wish you well in your deliberations today and tomorrow.

Thank you.