



## **NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL**

---

### **DECLARATION OF THE LABOUR RELATIONS INDABA**

Promoting Employment and Strengthening Social Dialogue: Towards Transformation of the South African Labour Relations Environment

**4<sup>TH</sup> NOVEMBER 2014**

### **EKURHULENI DECLARATION**

#### **1.0 Introduction**

- 1.1. Constituencies recognise the challenges of unemployment, poverty and inequality facing the South African economy and society.
- 1.2. Notwithstanding any challenges which may constrain current social dialogue, the Nedlac constituencies recognise Nedlac as the key structure under which social dialogue is conducted, and therefore the custodian of any processes that may follow the Labour Relations Indaba (Indaba).
- 1.3. The Indaba follows the call made by President Jacob Zuma in his State of the Nation address on 17 June 2014 for the social partners to deliberate on the state of the labour relations environment, and in particular to address low wages, wage inequalities, violent as well as protracted strikes. The Indaba was therefore convened under the auspices of Nedlac and stewardship of the Deputy President to launch a comprehensive process of engagement among the social partners.
- 1.4. The Indaba is organised under the overarching theme: Promoting Employment and Strengthening Social Dialogue: Towards Transformation of the South African Labour Relations Environment. The following focal areas have been agreed to frame the discussion:
  - 1.4.1. Promoting employment, labour market stability, including the right to strike, protracted strikes; violence, collective bargaining and the role of the State; employment, vulnerability and social protection.

- 1.4.2. Towards addressing wage inequality – engaging on a national minimum wage.
- 1.5. The social partners appreciate that, given the enormity of challenges identified by constituencies, it would not be possible for the Indaba to address all of the issues.
- 1.6. The Indaba is therefore the launch of a process of engagement, through task teams, that will identify ways of addressing the key challenges considered during the Indaba.
- 1.7. The process will be guided by the principles enunciated below.

## **2.0. Principles**

The principles are grouped according to the two focal areas agreed to by the constituencies.

### **2.1. Promoting employment, labour market stability, including the right to strike, protracted strikes; violence, collective bargaining and the role of the State; employment, vulnerability and social protection**

*The Nedlac constituencies recognising;*

- 2.1.1. that labour market stability has important implications for economic growth and job creation, investor confidence and productivity;
- 2.1.2. that the constituencies share a common interest in promoting more and decent jobs in all sectors of the South African labour economy and in reducing the high rate of unemployment, including the very high levels of youth unemployment;
- 2.1.3. that strike action by workers and trade unions is a constitutionally enshrined right. The right to strike is a legitimate exercise of power to pursue demands and strikes are also a measure of last resort;
- 2.1.4. that prolonged strike action has the potential to cause serious harm, not only to the strikers and their employers, but also to others outside the workplace;

*The constituencies therefore resolve to;*

- 2.1.5. work together to remove obstacles to increased economic growth and employment;

- 2.1.6. work towards a comprehensive approach to social security;
  - 2.1.7. uphold the Constitutional right of workers to strike;
  - 2.1.8. explore all options in order to resolve a dispute prior to embarking on strike action;
  - 2.1.9. not to undermine the ability of workers to embark on procedural strike action and therefore also undertake to explore all genuine options to resolve a dispute as speedily as possible;
  - 2.1.10. work together to ensure that strike action is peaceful, free of intimidation and violence, including violence that may be associated with police action;
  - 2.1.11. consider options to address violence and prolonged strikes in the context of Constitutional rights;
  - 2.1.12. uphold the right of trade unions, employers and employer organisations to engage in collective bargaining;
  - 2.1.13. find ways of strengthening and promoting collective bargaining in South Africa; freedom of association and protection of life and property; and
- 2.2. Towards addressing wage inequality – engaging on a national minimum wage**

*The Nedlac constituencies recognise;*

- 2.2.1. that wages are the most important component of income for South Africa's working people;
- 2.2.2. that income from wages is the main source of ensuring a sustainable livelihood for workers while also being a key factor in the competitiveness and sustainability of enterprises in the private sector, as well as the sustainability of enterprises in the public sector, and for raising state revenue for the fiscus;
- 2.2.3. that unemployment and underemployment, including the legacy of low wages, are the biggest causes of poverty and inequality in South Africa;
- 2.2.4. unemployment, underemployment, poverty and income inequality can result in income insecurity that undermines social cohesion;

2.2.5. that large pay differentials between executives and low income workers undermine the prospects for cooperative labour relations and workplace cohesion.

*Therefore, the Nedlac constituencies resolve to;*

2.2.6. engage on the modalities of introducing a national minimum wage in South Africa;

2.2.7. explore ways of reducing pay differentials while maximising job creation efforts; and

2.2.8. explore ways to achieve the elimination of poverty and inequality.

### **3.0. Way Forward**

The constituencies undertake to work under the auspices of Nedlac to translate the principles set out above into a set of practical agreements that will promote employment, labour market stability and social dialogue, that will guide the engagement on the modalities of introducing a national minimum wage in South Africa.

of introducing a national minimum wage in South Africa.

Nedlac will establish a committee of principals, which shall be convened under the leadership of the Deputy President, to guide the work, and which will comprise the following:

<b>Business</b>	<b>Community</b>	<b>Government</b>	<b>Labour</b>
Sipho Pityana	Diteko Moreotsenye	Minister MN Oliphant	Sidumo Dlamini
Bobby Godsell	Thulani Tshefuta	Minister E Patel	Zwelinzima Vavi
Neren Rau	Isobel Frye	Minister N Nene	Tyotyo James
Tanya Cohen	Herman Tsebe	Minister R Davis	Zingiswa Losi
Babalwa Ngonyama	Robert Tsikwe	Minister L Zulu	Narius Moloto
Loyiso Mbabane	Laura Kganyago	Minister G Nkwinti	Dennis George

A detailed roadmap of the process will be developed within two months of the Indaba, and the deliberations will begin during January 2015. Report-back on progress in reaching agreement on key issues will be made by July 2015.

**Signatures:**

Signed on 04 November 2014 by:

**For Government:**

---

Deputy President Ramaphosa

**For Organised Business:**

---

President: BUSA

---

President: BBC

**For Community:**

---

Overall Convenor

---

President: National Youth Council

**For Organised Labour:**

---

President: Cosatu

---

President: Fedusa

---

President: Nactu