**State of the Nation Address Debate Input by TW Nxesi MP, Minister of Employment and Labour**

**14 February 2022**

**Protocol:**

* Honourable Speaker/Chair
* His Excellency, Honourable President of the Republic
* Honourable Deputy President
* Honourable members of Parliament
* Ladies and gentlemen

As Government, we have been very consistent in our fight against unemployment, poverty and inequality. We continue to resist any attempts to defocus us. We are steadfast and resolute in fighting unemployment, inequality and eradication of poverty in our lifetime!

As President stated, government will continue to focus on efforts to create conducive conditions for investment and growth, as well as intervening directly to mitigate the effects of unemployment, inequality and poverty, through social protection mechanisms as well as direct intervention in the labour market.

**Through CCMA and Productivity South Africa** we continue to save companies in distress which is assisting in **retaining existing jobs and prevent the bloodbath of retrenchments.**Productivity SA’s Business Turnaround and Recovery Programme has enhanced the capacity of 191 small business at a cost of R115 million, saving approximately 10,000 jobs.

* **The Presidential Employment Stimulus**, which has placed **800 000 over two years** young people through meaningful jobs in the public sector operations in health, education and social development is testimony to our efforts of job creation. This project is growing additional funding will be allocated.
* Remember – Covid-Ters was critical in mitigating the effects of the lockdown during the pandemic. **Over R60 billion was dispersed to over 5 million laid-off workers** – supporting them, their families and communities across the country.

We however recognize that we cannot do this as government alone, thus we are working with other social partners to realise our goals of building a stronger social compact to create and retain jobs.

That is why the President has emphasised the largest percentage of jobs is from the private sector but did not discount the public employment initiatives, which are giving us millions of jobs. All what the President was saying is that was that all sectors of our society have to play a role, hence he spoke of national consensus. The fact is that we must all build non-racial, non-sexist, united, democratic and prosperous South Africa. It is in building that prosperous South Africa for all, where also business comes in.

This is witnessed in the parastatals where government contracts for infrastructure are shared with the private sector, thus creating jobs.  The EPWP and CWPs, as well as the Presidential Stimulus Package, where the President is talking about the massifying of jobs – these are government initiatives - do not quote him out of context!

**Social Compact**

The President started his speech with a clarion call for ‘a new consensus’ – a new ‘social compact’. Faced with the crisis of unemployment, poverty and inequality, South Africa now has an opportunity to step back from the brink – but to do so requires that we come together as a people.

**Honourable Speaker,**

Building on the work we have undertaken in NEDLAC as part of the Jobs Summit including: the Eskom Social Compact, the sectoral Masterplans, as well as the commitments made by Social Partners towards the different components of the ERRP (Economic Reconstruction and Recovery Plan) – we will focus efforts on working with all parties to build an effective social compact that addresses key priorities to contribute to inclusive growth -because economic growth creates jobs!

The President stated that there would need to be ‘trade-offs’. Without pre-empting outcomes of a social compacting process, the following general principles would apply:

* It would need to be fully and diversely representative
* Capable of making hard decisions – which may be unpopular in the short term but will have long term benefits
* Have capacity, capability and political will to deliver on commitments in social compact
* Able to take “a leap of faith”, have hope and trust - which in turn can lead to increasing levels of trust
* Thus each party needs to make a contribution which may not be equal but should be equitable and includes a focus on:
* Reducing the regulatory and administrative costs of doing business - particularly for SMMEs, cooperatives and informal businesses, without compromising workers’ rights, basic conditions, equity or health and safety in the workplace;
* Increasing investment from business and efforts to support localisation in order to employ more people and protect jobs.

The President wants us to conclude the discussions on social compact within 100 days. This is indeed a clarion call to act swiftly. Likhwelo ke eli - Kuthi ikhwelo ke lityala!

**National Minimum Wage Increase 2022**

As Minister of Employment and Labour, I have recently announced a 6.9% increase in the National Minimum Wage (NMW) to R23.19 per hour, effective from 1st March 2022. The NMW was extended to cover farm workers last year, and for the first time this year will fully cover domestic workers, who are majority women in the 800 000 beneficiaries of this increase.

To be clear: the NMW is not a ‘living wage’, but it does begin to set a minimum threshold which we seek to review annually, and it has already directly benefited millions of vulnerable workers. ***Kodwa siyazi ukuba oyihlo noyihlomkhulu banikhulisa ngokumfimfitha igazi labantu abamnyama.  Iyonke lento yenza ukuba ningawahloniphi amalungelo wabasebenzi, nifuna ukuqhubeka nokubaxhaphaza.  Aninazo neentloni ngalamanyala namanyundululu!***

**Inspections and Enforcement**

Inspection and Enforcement is a highly regulated field with clear protocols and processes in conducting inspections. It does not matter which economic sector or companies that we believe require inspection or enforcement, these must be conducted within the parameters of the law. It is therefore irresponsible for individuals to take the law into their own hands, thus creating confusion and disharmony in the workplace.

**Labour Migration Policy**

Kunesankxwe sokuba abantu abasuka kumazwe angaphandle koMzantsi Afrika bathabatha imisebenzi yabemi beli ngesantya esixhomisa amehlo. Ebangela isikhalo esikrakra kuluntu luphela, sileli Candelo Lwezemisebenzi nengqesho asikwazi kengoko ukuthula ngathi asiboni, asiva.

Lonto isibangele ukuba khesidibanise iintloko sishukuxe lombandela nkalo zonke size nesisombululo kubantu bonke abachaphazelekayo yilemeko. Ngendlela esemthethweni nomgaqo sisekho.

Silelisebe sijonge ukuphumeza umthetho ozakuqwalasele le ngxaki. Masiqaphele oku mawethu akukho namnye umntu onelungelo lokugrogrisa okanye uku gxagxamisa nabanina kulemeko engalandeli umthetho.

It is for this reason that the President established a multi-disciplinary 12 member Inter-Ministerial Committee on Migration. Cabinet has since approved the release of the National Labour Migration Policy for public consultation.

The policy seeks to address the growing concern by our citizens, that some employers are distorting the labour market by employing foreign nationals and subjecting them to sub-standard conditions and in the process displacing locals.

We will introduce quotas on the maximum number of foreign nationals that can be employed in the different economic sectors. This will be done in line with the scarce and critical skills required by business as announced by the President in order to balance the needs of the Labour Market.

The Small Business Development Department is looking at which sectors could be limited to South Africans to trade in so as to complement our initiatives.

In focusing on these priorities we continue to re-affirm the rights of migrants, the global treaties that we are party to and the SADC and African Union Protocols that we have signed.

**Labour Laws Review**

To make it easy for small business to conduct business in South Africa, our labour laws have built-in a concept of regulated flexibility. We were mindful of the fact that businesses go through seasons and stages, and we were deliberate in making sure our labour laws speak to their twists and turns.  That is why there is a Ministerial determination which deliberately exclude employers who employ 10 and less employees from certain conditions of employment.

Labour laws allow all employers who face difficult times to apply for exemptions from certain provisions of the law, for example, those that genuinely cannot pay the prescribed national minimum wages can apply for exemption.

It is important to highlight that the Department is on a path of further amending the legislation to address impediments that inhibit the ability of small business to create employment and to thrive.

The Department is considering amending the law to exclude small employers from having to submit several plans and reports for compliance, and rather for them to operate under a dedicated Code of Good Practice. This Code will guide small employers to appropriately conduct their businesses as required by law, thus reducing the administrative burden without undermining the intent and protections of the labour laws in place.

*There is a fallacy that must be dispelled that most of the Bargaining Councils are made up of big employers. The majority of the Bargaining Councils – which represents 85% of those Bargaining Councils- are made up of small businesses. Furthermore, out of 46 bargaining councils, 40 are private sector bargaining councils and they employ around 950 000 employees in the economy. The remaining 6 are in the public sector.*

**Public employment**

Finally we recognise that while efforts are underway to reconstruct and rebuild the economy in ways that create employment we – as the state – must support access to public employment. Colleagues will already have heard about the successes achieved through the stimulus thus far. We are continuing this work and leveraging resources within Departments to increase the impact of this work –

This includes collaborative efforts to support the 10 000 individuals to be employed to assist with the digitalisation of DHA;

DEL and DSBD will also be working with the DHET to support the efforts to place 10 000 TVET graduates so that it enhances the capacity of SMMEs

Young people that participate in these programmes – as well as others supported by the stimulus – will be able to access these opportunities from anywhere in the country through the national Pathway Management Network.

The clock is ticking colleagues. We have 96 days left. Let’s make every day count.

Thank you.