



**Electricity Governance Initiative of South Africa
Briefing Note: Portfolio Committee on Labour
17 October 2011**

The National Assembly's Portfolio Committee on Labour, chaired by Mr Mamagase Nchabeleng, has focused its attention on three main issues during 2011:

1. Exercising oversight functions over the Department of Labour and related entities
2. Monitoring the Department of Labour's contribution to five of the nine Millennium Development Goals (MDGs)
3. New Growth Path (NGP)

While the Committee did not explicitly link these issues to the green economy, the Department of Labour and Nedlac are positioned to play important roles in facilitating the involvement of labour in planning and implementing South Africa's green economy strategies.

Oversight functions over Department of Labour

Much of the Committee's business focused on overseeing programmes within the Department of Labour (DoL). These included:

- Responding to key challenges in the labour market: unemployment, the growth of "atypical employment," lack of equity in the workplace, and building sound labour relations. Questions about the ideological frame of the DoL (e.g. is it on the "side" of workers or management) were raised, and concerns expressed about high unemployment amongst young people (73%), the role of labour brokers in facilitating unemployed people's entry into the labour market, and poor compliance with equity regulations, especially for gender. (14 Feb)
- The Compensation Fund, mandated to pay compensation to employees for death and injuries caused by occupational hazards, seeks to provide an efficient social safety net, client-oriented human resources and strengthen corporate governance. Its last annual report revealed high administrative costs, fraud, and lost documentation on non-payment of claims. (28 Mar)
- Nedlac reported on key achievements to date and its key challenges were identified as: policy bypassing Nedlac or being tabled at short notice, disconnect between levels of government, and Nedlac's difficulty in addressing policies that involved multiple government departments. (28 Mar)

Millennium Development Goals (24 May, 30 May, 20 Jun)

The DoL identified five MDGs most relevant to the labour sector: eradicate extreme poverty and hunger; promote gender equality and empower women; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and develop global partnerships for development. The DoL sees its contribution to ensuring environmental sustainability in terms of its institutional strategic objective of strengthening social protection. Occupational Health and Safety regulations fall under this category, as do DoL participation efforts in

unspecified technical committees and joint efforts with other ministries such as Environmental Affairs and Mineral Resources to ensure environmental regulation and sustainability.

New Growth Path (12 Sept)

The Department of Economic Development presented to the Committee on the New Growth Path, emphasizing structural unemployment as a key barrier to job growth. The NGP aims to create five million jobs in the next ten years by adjusting micro- and macroeconomic policies to promote economic growth that is equitable (in terms of distribution of benefits of growth) and employment-intensive, or showing an increase in employment relative to GDP growth (labour intensity). The presentations and discussions emphasized the need to prioritize employment of South Africans and highlighted inequalities in skills and opportunities.

Specific skills and programmes were not identified during this Committee meeting. However, Minister Patel's budget vote speech¹ mentioned that the IDC will provide R25 billion over the next five years for green economy projects, channelled through a Green Economy fund and green component projects. He emphasised maximizing employment creation through "localisation plans for components." For example, the IDC has co-funded a solar water heater project for low-income housing. It had installed 38,000 units by April 2011 and is projected to install an additional 80,000 units in the next year.

The National Skills Accord of 2011 (signed by representatives from COSATU, FEDUSA, NACTU, Business Unity SA, Nedlac constituents, and the Minister of Higher Education and Training) proposed additional incentives for training and hiring young people. The NGP is also designed to assess impacts of state policies on employment, equity, growth and emissions. The DoL has also initiated a National Productivity Accord and issued requests to amend legislation to protect workers in vulnerable jobs. Vulnerable jobs include contracted and sub-contracted work, and labour that is brokered and outsourced. Vulnerability in the context of the green economy, such as jobs that may be phased out in the transition to a greener economy, was not discussed.

These issues are being negotiated within Nedlac for eventual tabling in Parliament. The Committee acknowledged the strengths and weaknesses of Nedlac, but not all members were convinced of its utility in job creation. MP Ollis (DA) questioned the effectiveness of Nedlac and its usefulness in creating jobs, but Nedlac and social dialogue processes were defended by the DG of Economic Development Department Prof Levin (12 Sept). Committee members' comments in response to the presentation involved fishery policies and the Superior Courts Bill.

Conclusion

The Portfolio Committee on Labour has, in a few instances, not obtained adequate information to perform its oversight functions regarding the DoL and other related funds and institutions. These cases pertained to funds administered by the DoL, such as the compensation fund, and corruption and mismanagement of a public-private partnership for IT contracts within the Department. The Committee has requested additional information in order to rectify the situation. Committee members show great concern for job creation, worker protections and appropriate institutional coordination that will better serve

¹ Address by Mr Ebrahim Patel, Minister of Economic Development on the occasion of the debate on Budget Vote 28: Economic Development, in an Extended Public Committee meeting of the National Assembly, 12 April 2011.

marginalized people. Environmental issues were discussed in the context of risks to workers and due worker compensation for exposure to environmental risks.

The green economy was not discussed in a substantive manner during the Committee's meetings this year, although it was mentioned in the context of the New Growth Path as a potential area for job creation. Civil society networks may have the opportunity to propose links between the green economy and the Committee's ongoing work. Some suggestions for these entry points include:

- Positive benefits of renewable technologies on growing local, decentralized labour markets in both urban and rural areas;
- Inclusion of the promotion of training and skills for green / renewable energy technologies within the National Skills Accord and other training programmes;
- Worker safety and ensuring a healthy work environment as an integral part of green jobs / green economy;
- Gender analysis of growing the green economy: what are the prospects for equity in the workplace, increasing skills development and dignified employment for women;
- The important role of Nedlac and social dialogue in promoting the goals of the ILO ² and South African government in the green economy labour sector. How can Nedlac improve its effectiveness and institutional coordination when involved in dialogue about jobs and the green economy? How can communication be improved between Nedlac and the Committee?

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² The four pillars are employment creation and enterprise development; social protection; standards and rights at work; and governance and social dialogue. Cited in address by Ms Mildred N Oliphant, Minister of Labour in the National Assembly, 24 May 2011.