



**BUILDING A FIRM BASE FOR POLICY CONSENSUS  
STATEMENT BY MINISTER T T MBOWENI  
AT THE LAUNCH OF NEDLAC.  
MIDRAND,  
18 FEBRUARY 1995**

President of the Republic of South Africa

Deputy President

Members of Provincial Executive Councils

The Presidents of COSATU, NACTU, FEDSAL

The President of Business South Africa

The President of NAFCOC

Secretaries General of all trade union federations and affiliates

Leaders of all Business Associations present here

Representative of the ILO

Executive Director of NEDLAC

Executive Council Members

Esteemed Guests

Ladies and Gentlemen

We have arrived at a very important stage in the development of our country - one that will be most testing and challenging for all of us. Our second revolution, so to speak, is only beginning.

The Government of National Unity, has come a long way in addressing the key political questions. Advancement from here lies in our economic prerogative.

We are all concerned with the major economic challenge that lies ahead. Sustainable economic growth, the creation of wealth and equity, the provision of jobs and basic needs underpin the need to provide mechanisms which will facilitate growth, development and delivery. But our concern is not limited to our domestic economy.

Throughout the world today, economies are changing rapidly. Globalisation is increasingly determining the nature of cross border trade, the world of work and employment patterns, productivity and quality. We can spend years debating whether or not this is desirable, but the reality however, is that we will inevitably be affected by these changes. In fact, we have already seen the beginning of this. As signatories to the General Agreement on Trade and Tariff, GATT, we have taken on new challenges and have become absorbed in world restructuring. Our industries, can no longer be run as they used to be if we are to successfully meet these new challenges of international and domestic demands.

The ability of our producers, be they in the manufacturing, mining or service sectors to respond to the demands of both our needs and markets at a domestic and international level needs to be enhanced. The obligation on government is enormous, but it is not unilateral. Responsibility rests on business, labour and all sectors of our population to collectively meet these challenges.

It is against this backdrop, ladies and gentlemen, that we are inaugurating the statutory body which will become the key to our success or failure both at home and abroad. The cornerstone of our approach to democracy, economic growth and equity lies in our commitment to seek broad consensus - political and economic. NEDLAC, the National Economic Development and Labour Council is where such broad consensus will be sought on issues of social, economic and labour matters.

In forming NEDLAC and granting it statutory status, we are in essence ushering in a kind of democracy that is unique to South Africa, and indeed to the rest of the world. Inclusive decision making has traditionally rested in tripartite formations including government, organised business and organised labour. We have learnt this concept from international institutions such as the International Labour Organisation (ILO) and we have made it work in our country through our experience. Tripartite bodies such as the National Economic Forum, (NEF), and the National Manpower Commission, (NMC), were instrumental in promoting dialogue among social partners and in shaping key economic and labour policies. It is in these organisations that the foundation for NEDLAC had been laid. However, the question has indeed been asked - whether corporatist solutions were being sought between elite constituencies of government, organised business and labour.

This has been an important question particularly in the current context where we are seeking broader consensus and the inclusion of all sectors of our people in key decision making.

To a significant extent we are addressing this question through the formation of NEDLAC and in doing so, we are introducing a unique form of quadri-partism. Fundamentally the inclusion of civil society as key role players within NEDLAC puts into action what we are seeking to achieve - collective decision making which carries legitimacy among all our people.

The fourth chamber in NEDLAC focusing on development upholds this commitment. Following the launch today, a public invitation will be issued to various organisations representing the interests of among others, women, rural development, civics, hostel dwellers and youth. Organisations will be asked to apply for participation in NEDLAC's Development Chamber. A panel will be established by NEDLAC to determine whether these organisations will be accepted on the basis of set criteria.

Inclusivity, as given expression in NEDLAC is critical, ladies and gentlemen, to the successful implementation of the Reconstruction and Development Programme.(RDP), Co-operation by all sectors of our country in understanding the possibilities and limitations of our economy and in active participation in formulating and implementing policy is indeed the cornerstone of the democracy we are building.

Perhaps, an indication of the broad acceptance of the need for NEDLAC can be reflected in the process of establishing this institution. Thorough and clear in their vision the social partners negotiated the constitution of NEDLAC with maturity and commitment to

compromise in the true spirit of partnership. I take this opportunity to thank those key representatives. Furthermore, the passing of the Act to establish NEDLAC in December 1994, was unanimously supported by all political parties in both houses of Parliament. In this respect I wish to thank the National Assembly and Senate standing committees which, despite time constraints facilitated this process.

The work of NEDLAC will cover four broad areas - Public Finance and Monetary Policy, Labour Market Policy, Trade and Industrial Policy and Development Policy. The first major task on NEDLAC's agenda is the negotiation of the draft Labour Relations Bill which we released two weeks ago. As government, we are hopeful that consensus on a new labour dispensation will be reached between the parties in NEDLAC's Labour Market Chamber before too long. In this respect, I urge our social partners to focus their energies in trying to meet the desired time race.

We must be cautious, ladies and gentlemen, not to drag our feet and to bog down the progress of NEDLAC through endless deadlocking. Our constituencies will therefore need to be properly organised and be represented as united constituencies, rather than fragmented individual groupings. Only this will determine the speed and outcome of decisions taken in NEDLAC. This is not to say, that we must override consultation and democracy, which we accept does take time. However, the new challenges facing us, requires a sense of urgency in making and implementing policies. It is for this reason that the responsibility of making NEDLAC work must be taken seriously by all parties involved.

The massive process of industrial restructuring which must be embarked upon if we are to build a competitive economy, meet development and equity needs of the RDP, could be fraught with problems unless NEDLAC is rendered effective. In essence, government as a whole will be dependent on NEDLAC to seek to reach consensus before all major policies are put to the houses of Parliament for ratification. The centrality of NEDLAC in government is therefore highly significant.

I must also point out ladies and gentlemen, key issues of concern which the President raised in his opening speech to Parliament yesterday. I refer here to particularly elements in our society who engage in "... totally unacceptable practices as murder of police officers, the taking of hostages, riots, looting, the forcible occupation of public buildings, blocking of public highways, vandalism of public and private property and so on." The President has made it clear that we can no longer allow this situation to continue, that we cannot be "...sitting ducks of those in our society, who for whatever reason, are bent to engage in criminal and anti-social activities. This poses a major challenge to NEDLAC. The different components comprising NEDLAC have certain common objectives which, in our view, are fundamental to the success or failure of this country. In achieving these common objectives NEDLAC has a major responsibility of addressing the issue of the kind of anarchy we have seen by those who will seek to hamper our objectives. Unless, something is done urgently, our social fabric may begin to "Fall Apart. The effect of this on investment and growth does not need to be spelt out. The President has therefore stressed the need for us to collectively take responsibility in ensuring that anti-social elements do not succeed to disrupt our plans.

As government, we are fully cognisant of the capacity weaknesses of key organisations and the need to strengthen such structures to enable them to carry out the tasks set out in NEDLAC effectively. We are therefore keen to assist where this is concerned and we are more than willing to engage the social partners on how best we can contribute in capacity building where this is necessary.

Having echoed a few cautionary remarks however, we are optimistic that the development and political maturity of our social partners in embracing the RDP and the interim constitution will be reflected in the Chambers of NEDLAC. Co-operative relationships which started developing in the past few years will have room to thrive in NEDLAC. From the perspective of the Government of National unity, we have provided the mechanism to institutionalise co-operation and we are determined to succeed. Indeed it is our collective responsibility to make it work.

To the executive Director of NEDLAC, Jayendra Naidoo, Programmes Director, Debra Marsden and all parties involved in NEDLAC, I wish you success.

Thank you