



PARLIAMENT

OF THE REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES
OFFICE OF THE CHAIRPERSON

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 2321/3126 Fax: 27 (21) 461 9460
www.parliament.gov.za

OPENING REMARKS BY THE CHAIRPERSON OF THE NATIONAL COUNCIL OF PROVINCES, HONOURABLE MR A. N. MASONDO, ON THE OCCASION OF THE MINISTERIAL BRIEFING ON THE PROGRESS MADE ON MEASURES TO MITIGATE THE IMPACT OF THE COVID-19 PANDEMIC ON EMPLOYMENT AND LABOUR

VENUE: VIRTUAL **DATE:** 13 OCTOBER 2020 **TIME:** 10H00

Programme Directors, as indicated in the Programme

Minister of Employment and Labour, Honourable T. Nxesi

Deputy Minister of Employment and Labour, Honourable Ms B. Moloï

House Chairpersons of the National Council of Provinces, Honourable Ms W. Ngwenya and Honourable J. Nyambi

Chief Whip of the National Council of Provinces, Honourable Mr S. Mohai

Honourable Members of Executive Councils in the Provinces

Honourable Permanent and Special Delegates

Representative of the South African Local Government Association, Cllr P. Hlungwani

Ladies and gentlemen

Honourable Delegates, the programme of Ministerial Briefings, focusing on the impact of the Covid-19 pandemic, gives us the opportunity to assess the measures put in place by government to respond to the ravages of the coronavirus pandemic. This is in order to make sure that we intervene effectively on behalf of the people as we seek to improve the quality of life of all the citizens and to free the potential of each person.

It is therefore my pleasure to open today's briefing on the Progress Made on Measures to Mitigate the Impact of the Covid-19 Pandemic on Employment and Labour. The briefing is expected to also deal with the allegations and cases of fraud and corruption relating to the Covid-19 pandemic. In addition, we will receive presentations from the provinces on Provincial Plans to Mitigate the Impact of the Covid-19 Pandemic on Provincial Economies, including Employment and Labour.

The mission of the Department of Employment and Labour is to promote employment and to regulate the South African labour market for sustainable economic growth through:

- Appropriate legislation and regulations;
- Inspection and enforcement;
- Protection of worker rights;
- Provision of employment services;
- Promoting equity;
- Provision of social protection; and
- Promotion of social dialogue.

As Honourable Members are aware, Chapter 3 of the National Development Plan (NDP) states that achieving full employment, decent work and sustainable livelihoods is the only way to improve living standards and ensure a dignified existence for all South Africans.

The plan states further that rising employment, productivity and incomes are the surest long-term solution to reducing inequality. And that similarly, active steps to broaden opportunity for people will make a significant impact on both the level of inequality and the efficiency of the economy. This, according to the NDP, will be achieved by expanding the economy to absorb labour and improving the ability of South Africa's people and institutions to respond to opportunities and challenges. The NDP states that we all have to assist the institutions we have creatively redesigned to meet our varied needs; we have to reach out across communities to strengthen our resolve to live with honesty, to act against corruption and dehumanising actions.

One of the things that the 6th administration of the Republic was mandated to do, as a means of intervening on behalf of the people, was to:

- Prioritise the livelihoods of the poor,
- Prioritise employment opportunities,
- Prioritise prospects for employment; and to
- Prioritise the capacity to roll back poverty and destitution.

This includes the need to orientate the macroeconomic policy so that economic growth takes place within an overarching strategy of job creation. This has to be done in order to create employment that delivers fair incomes and social protection for workers and their families.

Unfortunately, approximately eleven months into the term of the 6th administration, we fell victim to the Covid-19 pandemic which has had a devastating effect globally. For example, the International Labour Organisation¹ estimates that hours worked in the G20, which is an international forum for the governments and central bank governors from 19 countries and the European Union which account for 85 per cent of the world economy, declined by 14 per cent in the second quarter of 2020, compared with the fourth quarter of 2019. That is equivalent to the loss of about 265 million full-time jobs in G20 countries alone and about 400 million jobs worldwide.

The organisation states that the impact has been particularly hard on workers in the informal economy who constitute more than 60 per cent of the world's workforce. They estimate that four out of five workers in the informal economy – that is 1.6 billion workers – have been seriously impacted, and have suffered dramatic income declines due to COVID-19.

¹ From the address of the Director General of the International Labour Organisation, Mr Guy Ryder, at the G20 Labour and Employment Minister's Meeting on Update on Global Labour Markets, on 10 September 2020, in Saudi Arabia

In South Africa, the results of the Quarterly Labour Force Survey for the second quarter of 2020, released by Statistics South Africa last month, indicate that the number of employed persons decreased by 2,2 million to 14,1 million compared to the first quarter of 2020. The report states that this unprecedented change is the largest quarter one to quarter two decline since the survey began in 2008.

We have agreed that in order to achieve our desired goal of a capable and developmental state that effectively intervenes on behalf of the people, our country should amongst other things create conditions of prosperity for its citizens. It should play an active role in guiding economic development and using the resources of the country to meet the needs of the people. And, in doing so, it needs to balance economic growth and social development. More importantly, we need to improve the quality of education, ensure mass re-skilling for development and innovation.

In this regard, Parliament must effectively carry out its mandate, which is expressed through legislating, representation and overseeing Executive action.

The National Council of Provinces (NCOP), in particular, which is the House of Parliament that provides for the intersection of the national, provincial and local spheres of government, should pay careful attention to the manner in which the different spheres of government perform their work. As a starting point, the Constitution obliges all the spheres of government to observe and

adhere to the principles of co-operative government and intergovernmental relations. It states that, amongst other things, the spheres of government must co-ordinate their actions and legislation with one another and adhere to agreed-upon procedures.

This is the broad lens through which we must interrogate the information we are to receive today.

The design and role of the NCOP places it in a strategic position to be able to carry out its clear and distinct mandate. Its mandate is to represent the provinces in order to ensure that provincial interests are taken into account in the national sphere of government.

The House is also charged with the task of making sure that, through organised local government, space is provided for the participation of local government representatives in its proceedings. The responsibility of these part-time representatives that are designated by organised local government, and who sit in the NCOP, is to represent the different categories of municipalities.

Honourable Members, as I have tried to illustrate, the Covid-19 pandemic has had a devastating impact on the economy. Experts, including those from

the World Bank², are forecasting that the global economy will shrink by more than 5 per cent this year. They say this would represent the “deepest recession since the Second World War”.

We need to make sure that the interventions that we make, on behalf of the people, deliver the intended results. As I have said in the previous Ministerial Briefing on Small Business Development, we should use this crisis to reconstruct our economy with a view to accelerate inclusive growth in order to address unemployment and poverty. It is with this in mind that we are looking forward to the Joint Hybrid Sitting of Parliament, called for by the President of the Republic for this Thursday, to outline South Africa’s Economic Reconstruction and Recovery Plan.

In conclusion, allow me to quote from the NDP: “We all see to it and assist so that all life’s enablers are available in a humane way”.

With these few words, it is my pleasure to open today’s Ministerial Briefing session. I welcome everybody and invite you to participate freely.

I thank you

² Press Release by The World Bank on its *June 2020 Global Economic Prospects* published on 08 June 2020 in Washington, USA