

Republic of South Africa

**Decent Work Country Programme
2018 - 2023**

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ACROYNMS AND ABBREVIATIONS

AU	African Union
BUSA	Business Unity South Africa
CCMA	Commission on Conciliation, Mediation and Arbitration
CEACR	Committee of Experts on the Application of Conventions and Recommendations
COSATU	Congress of South African Trade Unions
CWP	Community Works Programme
DFID	Department for International Development of United Kingdom
DOL	Department of Labour
DPSA	Disabled People of South Africa
DWCP	Decent Work Country Programme
EEA	Employment Equity Act
EESE	Enabling Environment for Sustainable Enterprises
EPWP	Expanded Public Works Programme
ETI	Employment Tax Incentive
FEDUSA	Federation of Unions of South Africa
GDP	Gross Domestic Product
GNP	Gross National Product
HIV	Human Immunodeficiency Virus
IES	Inspections and Enforcement Services
ILO	International Labour Organization
LED	Local Economic Development
M&E	Monitoring & Evaluation
MANCO	Nedlac Management Committee
MTSF	Medium Term Strategic Framework
NACTU	National Council of Trade Unions
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NEET	Not in employment, education and training
NSSD	National Strategy for Sustainable Development and Action Plan,
NSSF	National Social Security Fund
OSH	Occupational Safety and Health
PES	Public Employment Services
RAF	Road Accident Fund
RBM	Results-Based Management
SADC	Southern African Development Community
SAYC	South African Youth Council
SDG	Sustainable Development Goals
SIYB	Start and Improve Your Business
SME	Small Medium Enterprise
SMMEs	Small Medium Micro Enterprises
UIF	Unemployment Insurance Fund
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNSCF	United Nations Strategic Cooperation Framework
UK	United Kingdom

1. INTRODUCTION

The second generation South Africa DWCP covers the period 2018-2023 and its formulation is a culmination of consultative engagements by the tripartite-plus constituents within the structures of the National Economic Development and Labour Council (Nedlac) which is a statutory National Social Dialogue structure. The process of engagement began in April 2016 when the tripartite-plus constituents, who constitute the National Steering Committee for the DWCP, convened to examine the findings of the mid-term review of the first generation DWCP and to consider the challenges encountered and lessons learnt during the implementation of the DWCP. One of the key lessons drawn from the assessment of the first generation DWCP 2010-2015 was the critical importance of focusing on a limited number of shared priorities in the formulation of a DWCP, with consensus reached that 'less is more'. Subsequent to the April 2016 meeting, the partners held consultations within their respective constituencies on priorities for the next DWCP. A consultative workshop was then held in August 2016 at Nedlac where the constituents articulated their respective priorities for the next DWCP programme cycle. The identification of priorities was done with strict reference to the 10 ILO Programme and Budget outcomes which the constituents strongly felt resonated with their national priorities.

2. COUNTRY CONTEXT: DIAGNOSTIC AND SITUATION ANALYSIS

2.1. Economic

South Africa is an upper middle-income country, with a gross domestic product (GDP) of R77, 604 per capita per annum in 2016.¹ It is one of the two largest economies in Africa, ranking alongside Nigeria in this respect, and is the only African member of the G20. South Africa also has well developed financial, legal, communications, energy and transport sectors, and a modern infrastructure supporting a relatively efficient distribution of goods throughout the Southern African region. Although traditionally reliant on its mineral wealth, South Africa's economy has become increasingly more diversified and is built upon a number of other key sectors including Tourism, Mining, Automotive Assembly, Information and Communications Technology and the Chemical Industries.

Since the 2009 global economic downturn, the growth prospects of South Africa have remained far below the 5% needed to create jobs for the nearly 8 million unemployed South Africans. SA's economy officially entered a technical recession in the first quarter of 2017 with gross domestic product (GDP) contracting by 0.7% from a 0.3% contraction in the previous quarter. While the GDP growth improved significantly by 2.5% in the second quarter of 2017 as agriculture helped to pull the economy out of a technical recession after a prolonged period of drought, and by 2.3% and 3.1% in the 3rd and 4th quarter respectively raising the overall GDP growth for 2017 at 3.1% up², analysts are still concerned that GDP growth is not robust enough to set the economy on a higher growth trajectory to tackle poverty and unemployment. The growth projections for 2018 and in the medium term remain subdued.

Current performance of the economy contrasts with the period 2004-2007 when South Africa's economy grew by over 4% each year during that period, according to World Bank data³. The poor outlook for South Africa's economy has been attributed to a number of external and domestic factors. The sluggish global economic recovery since the 2009 global economic downturn including the sharp economy slowdown in China, kept commodity prices subdued, impacting negatively on the value of the Rand, and the cost of borrowing. Domestically, the economy was negatively impacted by the severe effects of a prolonged drought, infrastructure bottlenecks, power shortages and a volatile labour relations environment that often culminated in protracted violent strike action. In addition, declining investor and business confidence resulting from, among others, political and economic policy uncertainty and a negative outlook for credit ratings

¹ Calculated from Statistics South Africa: GDP Statistical Series 2010-2015, and mid-year population estimates at <http://www.statssa.gov.za>

² STATS SA available at <http://www.statssa.gov.za>

³ <https://data.worldbank.org/indicator>

has had a constraining effect on the economy. Despite having a relatively high working age ratio, population prospects for achieving a demographic dividend in South Africa have been low. This is due to the plethora of factors outlined above as well as an inadequate basic education and skills system that have had a constraining effect on economic growth and job creation.

National Treasury expects a moderate recovery in the economy over the medium term reaching 2.2% in 2019⁴. The projected improvement depends on the strength of a moderately improving global economy and an improvement in commodity prices, the easing of a severe drought in several farming regions, improved reliability in the electricity supply and improved labour relations environment. Indications are positive that changes in political leadership will bring greater levels of accountability, good governance and policy certainty. Against a projected moderate recovery for the domestic economy, the global political landscape presents an uncertain policy trajectory for some of the world's largest economies and with consequences for world trade and serious implications for the South Africa's economic recovery in the medium to long term.

2.2 Social

Despite its upper middle income status South Africa continues to grapple with the triple challenges of high unemployment, inequality and poverty that have disproportionately affected the black African population, in particular black African women, youth and other vulnerable segments of the population. The rate of unemployment in the country has averaged 25.27% since 2000 to-date with youth and women disproportionately affected. South Africa remains one of the most unequal countries in the world with one of the highest inequality rates in the world and an income Gini that ranges between 0.66 and 0.70 before taking social transfers into account. While significant progress was made by Government to reduce the proportion of persons living in poverty from 66.6% (31, 6 million) in 2006 to 53.2% (27, 3 million) in 2011, recent data show a significant reversal in this positive trend. Poverty continues to be a persistent challenge in South Africa and recent data show that the most vulnerable to poverty in the country are children (aged 17 or younger), females, black Africans, people living in the rural areas and persons with little or no education⁵. Disturbing also has been the rise in the depth of poverty between 2011 and 2015 with data showing an increase in the worsening of poverty by the poor relative to their situation in 2011⁶. While the new national minimum wage is by no means a living wage it is intended by Government as a floor to protect the most vulnerable workers. The rise in poverty has been attributed to a number of factors including a combination of international and domestic factors such as low and anemic economic growth, continuing high levels of unemployment, low commodity prices, higher consumer prices (especially for food and energy), lower investment levels and policy uncertainty⁷. Whilst Government's provision of the social wage has had an enormous impact in improving the lives of the poor and reducing household multidimensional poverty since the democratic dispensation, the financial well-being of households (as measured through money-metric poverty) in recent years has suffered⁸. And while the new national minimum wage which is in the process of being enacted is by no means a living wage, it is intended by Government as a floor to protect the most vulnerable workers.

With an economy that has relied heavily on carbon intensive energy, South Africa has significantly contributed to greenhouse gas emissions relative to the region and even by global standards, and is particularly vulnerable to the effects of climate change that has had a disproportionate impact on the poor, rural communities especially women and children through threats posed on livelihoods, water, and food. South Africa's policy commitment towards addressing the adverse effects of climate change is evidenced through the signing of the Paris Climate Agreement, the adoption of the 2030

⁴ Budget Review 2017, National Treasury of South Africa; available at www.treasury.gov.za

⁵ Poverty Trends in South Africa: An Examination of Absolute Poverty between 2006-2015; available at <http://www.statssa.gov.za>

⁶ Ibid

⁷ Poverty Trends in South Africa – an examination of absolute poverty between 2006 and 2015, Statssa 2017, pg16.

⁸ Ibid pg 9.

Agenda for Sustainable Development and the adoption of a National Climate Change Response White Paper. The National Development Plan (Vision 2030) recognizes that the transition to a low carbon economy in South Africa will necessitate a judicious process that does not impact adversely on jobs given the heavy reliance the economy has had on carbon intensive energy.

2.3 Political

South Africa's peaceful political transition from the apartheid regime is regarded as one of the most remarkable political feats of the past century. The political system that has machinery for checks and balances through the independence of its legislature, executive and judiciary makes for a stable democracy and favourable environment for its citizens to freely exercise their rights to freedom of expression. The Constitution is the cornerstone of democracy in South Africa which upholds and guarantees respect, protection and promotion of the rights of all peoples including the right to human dignity, freedom of expression and association.

South Africa has a vibrant multiparty political system and has gone through 4 successful democratic elections held both at the national and local government level. While the political situation has been relatively stable over the years, protests across the country have become an ever constant feature in the political landscape of South Africa as communities grow impatient for the improved delivery of services and in the face of persistent unemployment and rising poverty. In 2017 there was considerable uncertainty leading up to the 2017 elective conference of the ruling party. Together with the rise in allegations of state capture and corruption, this resulted in considerable uncertainty. This has settled considerably in the first part of 2018 with the change in political leadership within the governing party, and interventions that have been introduced to restore good governance and accountability.

2.4. The Status of Employment

2.4.1. Overview

In the fourth quarter of 2017, South Africa had a working-age (15-64years) population of 37, 525,000 of whom 51% were female and 80% black African. Of the working age population, only 43% were employed, with a further 16% unemployed, 7% discouraged job seekers, 41% not economically active, and a further 34% not economically active (other).⁹ Out of the 16,171,000 of the employed labour-force during this time, 70% were employed in the formal sector, 17% in the informal sector and employment in Private Households was 8%. Primary sectors of agriculture and mining which previously employed large numbers of workers with minimal formal education account for only 5% and 3% respectively of total employment. Both sectors witnessed relatively large scale retrenchments in recent years owing to both external and domestic factors which had an exacerbating impact on unemployment and poverty in the country.

The rate of unemployment has averaged 25.46 % from 2000 until 2017, reaching an all-time high of 31.20 % in the first quarter of 2003 and a record low of 21.50% in the fourth quarter of 2008. Labour market data released in the first two quarters of 2017 showed a worsening of the official unemployment rate at 27.7% signalling the highest jobless rate in the country since 2004. When considering the expanded definition of unemployment that includes discouraged work-seekers, the rate of unemployment has been much higher.

2.4.2. Gender dimensions

Women, youth and black Africans are under-represented among the employed, and feature very prominently among the unemployed and discouraged work seekers. Data released in the first half of 2017 revealed a higher unemployment rate of 29,8% for women compared to men at 26%, and a disproportionately higher unemployment rate for black Africans at

⁹ STATSSA, 4th Quarter QLFS; available at <http://www.statssa.gov.za>

31% compared to the Coloured (23%), Indian (13%) and White (6%) populations¹⁰. The vulnerability of women in the labour market is further evidenced by the large gender differential in the proportion of employees among the working poor, and pay disparities that exist between men and women. In 2014 the proportion of female employees whose earnings were below the working poor¹¹ threshold' was 12.0% points higher than male employees with women registering a working poverty rate of 39.5% compared to men at 27% in 2014. In addition women predominate in vulnerable sectors of the economy as precarious workers in agriculture, domestic work, tourism to mention a few where they earn a pittance and face job insecurity. Women also spend more than twice as much time doing unpaid domestic work, as well as unpaid child care and eldercare responsibilities which limits their opportunities for further education to effectively participate in the economy with the result that the majority get economically marginalized.

While taking note of efforts made by Government to protect vulnerable workers through the setting of sectoral determinations, the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) has raised the concern that the minimum wage setting for sectors by women such as domestic work and farm work could be informed by the undervaluation of women's work. And for this reason the CEACR has requested Government to share information on measures taken to ensure that wages in sectors predominantly employing women are not set on the basis of gender bias undervaluation of the work performed in those sectors.

Government has demonstrated a strong commitment to redress gender imbalances in the world of work through ratifying C100¹² and adopting Employment Equity legislation that was amended in 2014 to include an explicit provision on equal pay for work of equal value, and through the subsequent adoption of regulations and an accompanying Code of Good Practice on equal pay/remuneration for work of equal value in 2015. While the CEACR has noted **with interest** amendments to the EEA and pay equity regulation and the adoption of the Code of Good Practice, the CEACR has requested Government to consider widening the scope of comparisons of jobs performed by women and men beyond the same employer.

The further vulnerability that women face in the world of work is sexual harassment across all sectors of the economy. The Commission for Gender Equality periodically reports on instances of sexual harassment in the workplace despite the existence of legislation that outlaws sexual harassment and provides for an accompanying Code of Good Practice on the Handling of Sexual Harassment Cases in the world of work. In light of this, the CEACR has sought to gain information from Government on the use made by employers of the Code of Good Practice on the Handling of Sexual Harassment Cases to develop policies on sexual harassment, as well as information on other measures taken to prevent and address sexual harassment in the workplace.

2.4.3. Youth Employment

For young people the rate of unemployment is particularly high where youth (15-34yrs) account for 54% of the working age population but constitute 64% of all those who are officially unemployed. Employment data shows a progressively worsening unemployment rate among youth 15-34yrs from 35.7% in 2010 to 44.3% by 2nd quarter 2017. Among youth 15-24yrs, employment data¹³ released in Q1 of 2018 revealed an unemployment rate of 52.4% up from 51.1% in Q4:2017. When considering the expanded unemployment rate for both age categories the figures are grimmer. The vulnerability of youth becomes more disturbing when considering the rate of youth not in employment, education and training (NEET). Between Q1: 2017 and Q1:2018, the NEET rate for youth aged 15-24 remained unchanged at 32.4%. Significant to note

¹⁰

¹¹ Working Poor - refers to the number of employees that earn a salary or wage below the threshold of two-thirds of the median monthly earnings of all employees. Source: the South Africa Employment Report, 2016

¹² C100 – Equal Remuneration Convention

¹³ Quarterly Labour Force Survey for Q1 – 2018, Statistics South Africa; available at <http://www.statssa.gov.za>

is that a third of black African and Coloured youth in the 15-24 age category were NEETs compared with 10% in the white population. Slow economic growth that has undermined the ability of the economy to absorb young work seekers into the labour market, and poor educational outcomes have not adequately equipped youth with the requisite skills and the technological impact of the 4th Industrial Revolution.

The Government has instituted a number of legislative and policy measures to address the persistent challenge of unemployment. The National Development Plan (NDP) provides a long term vision through to 2030 towards dealing with the challenges of unemployment and inequality. It sets ambitious targets for reducing the unemployment rate down to 14% by 2020 and to 6% by 2030. Driving the vision of the NDP is the implementation of the New Growth Path (2011) that directs focus on sectors of the economy that carry high employment potential, the Industrial Policy Action Plan (2017/18-2019/20) that seeks to promote sustainable job creation through labour intensity in key sectors of the productive economy, and the National Infrastructure Plan that supports the labour intensity of infrastructure investment programmes to bolster economic growth. While South Africa has not yet ratified C122, government is considering ratifying as evidenced in a request for ILO support for gap analysis on South African law and practice in terms of the Employment Policy Convention (No.122). The social partners have already expressed their willingness to consider C122 for ratification. The findings of the gap analysis will help to ascertain readiness by country to ratify.

South Africa has a National Youth Policy and a number of active labour market interventions to support the youth labour market transitions. These include the Employment Tax Incentive (ETI) to reduce the initial costs of hiring young labour market entrants, the UIF Labour Activation Programme,¹⁴ the work seekers' placement programmes, the national youth service programme, the Community Works Programme (CWP) as well as the Expanded Public Works Programme (EPWP). These employment programmes however, are not well coordinated which reduces their effectiveness and overall impact.

The public employment services branch of the National Department of Labour is central to the provision of facilitating the entry of young work seekers into the labour market through an extensive network of labour centers across the country. However, some factors restrain the role of PES, including the relatively low number of officials assigned to PES related jobs especially at the labour center level; the insufficient spread of labour centers and contact points resulting in inadequate territorial coverage in some provinces; a strong focus on passive instead in active labour market policies; and inadequate cooperation mechanisms between the public and private sector, especially with private employment agencies¹⁵.

While South Africa has not yet ratified the Employment Services Convention (No.88) and the Private Employment Services Agencies Convention (No.181), provisions contained in the Employment Services Act and the Labour Relations Amendment Act draw from provisions in the two Conventions and from Unemployment Convention (No.2) which South Africa has already ratified that highlight the need for the regulation of Private Employment Services and coordination of the activities of public and private employment services.

2.4.4. Small Medium and Micro Enterprises

The NDP places small and medium sized enterprises at the centre of employment creation and maintains that public policy needs to be supportive to business development by lowering barriers to entry, reducing regulatory red tape and providing an entrepreneurial environment for business development. However, South Africa's persistently low levels of entrepreneurial activity and small business participation relative to other countries in the African region have been of

¹⁴ Labour Activation programme of the UIF available at <http://www.labour.gov.za> – the labour activation programme seeks to re-integrate UIF beneficiaries into the labour market, and to integrate unemployed youth into the labour market through learning and skills training programmes

¹⁵ ILO Technical Memorandum on Labour Administration Needs Assessment, 2017

particular concern given the chronically high levels of unemployment and underemployment. The 2016/2017 Global Entrepreneurship Monitor (GEM) reveals that South Africa has had a substantial drop in entrepreneurial intentions and that the rates of all levels of early stage entrepreneurial activity have dropped considerably compared to 2015 with the nascent entrepreneurial rate showing a 30% drop while the total early-stage entrepreneurial activity rate (TEA) has dropped by 25%¹⁶. Some of the constraints faced by small business relate to problems in accessing finance, inefficient government bureaucracy and red tape associated with starting up and managing a business, as well as regulatory burdens that do not support the survival and growth of small businesses, including at local government level. Other constraining factors include market access particularly within the South African business environment that is characterized by tariff and non-tariff trading barriers, high levels of concentration and a lack of competition in key sectors, lack of access to technology and information. Inadequate access to people with business skills has been identified as one of the biggest challenges facing start-up and small business which is compounded by inadequate basic education and the lack of demand-led entrepreneurial education and training within post school educational institutions. More recently government efforts have been directed towards promoting an environment conducive towards starting and sustaining SMMEs through reforms and regulations aimed at increasing the ease of doing business and that lessen unnecessary bureaucratic burdens. Organized business with the support of the ILO, has done extensive research to assess the barriers to an enabling environment for sustainable small businesses that has resulted in an action plan to address key challenges identified.

2.4.5. Informal Economy

With the emergence of new forms of business, diverse forms of employment are also fast emerging with the employment relationship shifting from the standard employment model to self-owned businesses and non-standard short-term transient forms of work which offer less security and protections of rights at work, with mixed prospects for advancement or social security benefits. While some of these changes generate opportunities, others threaten workers' access to decent work and social justice and have become the subject of much national discourse as Government and the Social Partners explore appropriate policy responses to safeguard the rights of workers to decent working conditions.

Informality in the world of work has been a growing feature in the South African labour market even within formal enterprises. Informal sector employment makes up 17%¹⁷ of total non-agricultural employment in South Africa and contributes an estimated 5% to GDP¹⁸. Women in the informal sector make up an estimated 15% of total non-agricultural employment compared to men at 20%¹⁹. Informal employment outside the informal sector typically includes employment in precarious work situations in vulnerable sectors of the formal economy such as agriculture, domestic work, hospitality, the tourism industry and contract cleaning in which women predominate.

The South African informal economy is characterized by decent work deficits that include work that is largely unregulated, work often with inadequate and unsafe working conditions, poor or no access to social security benefits that are designed around standard work, precarious employment, low pay, long working hours, little or no inspections to ensure compliance with labour law, an absence of collective bargaining and representation rights and often ambiguous or disguised employment relationships. Within the informal sector, the bulk of business ventures are survivalist in nature and rarely graduate towards sustainable and growth oriented enterprises. Part of the challenges faced by informal business operators and SMEs in the informal economy emanate from an inhibitive legal and regulatory environment including complex and costly registration and licensing requirements, the absence of business incentives to facilitate compliance, insufficient access to appropriate financial services, markets, and support services as well as the lack of adequate entrepreneurial skills. While South African laws have already secured the rights of women, "institutional bias" in the

¹⁶ South Africa Report 2016/2017, Global Entrepreneurship Monitor (Herrington et al)

¹⁷ Statssa QLFS Q1 3 2017 available at <http://www.statssa.gov.za>

¹⁸ latest Survey of Employers and the Self Employed (SESE) by StatsSA, in 2014

¹⁹ Statssa, QLFS Q3, 2017 available at <http://www.statssa.gov.za>

business environment against women and the poor persist. And the lack of support for women's reproductive roles or caring roles through the provision of accessible and affordable child care facilities hinders them from seeking opportunities far away from home.

Some of the worst decent work deficits are acutely felt at local government level where informal economy operators, (including waste pickers, street vendors, informal traders, and migrant entrepreneurs) and other vulnerable workers interface with local government authorities in urban, semi-urban and rural settlements. The difficulties encountered at the local level often emanate from the inadequate capacity by local government structures to provide services that are responsive to the needs of the informal sector, and which are not gender sensitive. Consequently, municipal by-laws including city regulations are often not adequately aligned to the needs of informal businesses. The aforementioned challenges are further compounded by the absence of effective and inclusive social dialogue mechanisms at local government level.

In addressing the challenges arising from growing informality in the South African economy, the government has partnered with the social partners and all critical stakeholders in the informal economy to work towards achieving SDG 8 target 8.3 and to apply the principles of R204 in facilitating the transition of the informal economy towards formalization.

2.4.6. Rural and Agricultural Sector

South Africa's rural areas are marked by high levels of poverty, unemployment and inequality, and again women, youth and children are hardest hit. While the government of South Africa has instituted policies and legislation since 1994 to redress the imbalances of the past through land reform, the impact has been slow in correcting South Africa's spatial and economic inequalities in the rural areas.

The NDP recognizes the transformation challenges facing the agricultural sector but nevertheless sees the potential to create close to 1 million new jobs by 2030, a significant contribution to the overall national employment target. However, there has been a steady decline in employment within the sector in recent years in both primary agricultural production and agro-processing. The nature of employment is also shifting from permanent to irregular temporary employment and increasing casualization leaving many farmworkers and their households insecure²⁰. Women and cross border migrants are particularly more likely than men to be in precarious employment relationships. The contribution of agriculture itself to GDP has also been on the decline over a long term trend since the 1950s. Employment and growth constraints facing the sector owe to a myriad of factors that include increasing mechanization of production, rising input costs for agriculture production, an uneven international trading environment, fluctuations in the global markets and drought conditions²¹.

The labour relations on farms in South Africa have been under the spotlight amidst media reports of gross human rights violations and exploitation of farmworkers. Empirical research²² shows that the conditions of employment for workers including seasonal workers are not always satisfactory. Decent work deficits that confront farmworkers, particularly those in precarious work include low pay, limited or no access to social protection coverage, no job security, inadequate health and safety protective measures at work, lack of safe and adequate transport to and from the farms, limited skills development opportunities and education. Collective bargaining in the sector is very low and farmworkers are often have difficulty in exercising their rights to freedom of association. This is further exacerbated by the low level of awareness among farmworkers of their rights under labour law. Notwithstanding the above, various models of worker representation

²⁰ Visser et al, Farmworkers' living and working conditions in South Africa: key trends, emergent issues and underlying and structural problems, 2015

²¹ Visser et al

²² *ibid*

are used successfully on some of the farms. During the first programme cycle of the DWCP, ILO support was directed towards supporting employers and workers in the agricultural sector to institute bi-partite social dialogue engagement in order to create mutual trust and a platform for addressing the myriad of challenges that impact negatively on labour relations on farms.

Within the context of the National Development Plan and aligned with **SDG 2 target 2.3**, one of the key development priorities outlined in Government's nine-point plan is to revitalize the agricultural sector to foster a more inclusive rural economy and employment creation. One of the key interventions proposed in the labour component of Government's Phakisa Programme for the agricultural sector focuses on developing a National Decent Work Programme for the Agricultural sector.

2.4.7 Labour inspection

The supervision and control of the labour inspection system is assumed by the Inspections and Enforcement Services (IES) branch of the Department of Labour (DOL). The Government cooperates with the inspection bodies responsible for control and enforcement activities in the mining and transport sectors and also associates approved inspection authorities responsible for controls in the areas of occupational safety and health and other specialist inspectors in the work of the labour inspection services.

The IES branch of the National Department of Labour has been undergoing a process of reform since 2010 following an audit undertaken by the ILO of the Department's inspections and labour administration system. Following on a comprehensive set of recommendations by the 2010 audit, the IES has undergone a gradual process of transformation beginning with its establishment as a stand-alone branch reporting directly to the Director General. Significant developments in the IES also include the creation of a Chief Inspector position, a 20% increase in the budget allocation for IES between 2011/12 and 2015/16 which included a budget for the training of its inspectors and towards a process of professionalizing the labour inspectorate. Steps towards the professionalizing the labour inspectorate have involved higher entry qualifications into the post of inspector and towards improving terms and conditions of service for inspectors in order to attract and retain suitably qualified staff. In 2013, Government ratified the Labour Inspection Convention 1947 (No. 81) at the recommendation of the 2010 Labour Administration and Inspections Audit.

Notwithstanding the above, progress towards improving the efficiency of inspections in recent years has been constrained by reduced budgetary allocations to the IES against the backdrop of a depressed economy. The Department of Labour's 2016/17 Annual Report underscores the negative impact reduced budgetary allocations to IES will have on its ability to further increase the number of inspectors needed and to fill in vacancies within the branch. As it is, the IES continues to grapple with the challenge of retaining inspectors and finding suitable and specialised candidates, an issue the ILO CEACR has asked Government to share information on measures taken to mitigate this problem.

A recent review conducted of the Labour Inspection and Labour Administration system²³ indicates that reforms have been slow in the area of occupational health and safety giving rise to a strong sense by senior management within IES²⁴ that the inspectorate has not been able to adequately respond to current occupational health and safety (OSH) developments in industry. The National Department of Labour also faces a critical shortage in the number of health and safety inspectors. The shortage of qualified OSH inspectors has forced Government to rely heavily on the outsourcing of OSH inspection services which are not well regulated.

²³ Technical Memorandum

²⁴ The Technical Memorandum – review of the Labour Inspections and Administration System, 2017

While there have been efforts to improve the collection of inspection data including through electronic means, the use of ICT has been less than optimal and serious failures in the management of new technologies are often experienced. Therefore, the need to improve the capacity of the IES to collect, analyse data (including sex-disaggregated data) and statistics becomes critical to produce evidence based interventions that can enhance workplace compliance.

Subsequent to South Africa's ratification of C81 in 2013, a roundtable discussion by the IES branch of the Department of Labour and the Social Partners at Nedlac was held to discuss implementation of the Convention and to begin a process of fostering greater collaboration around workplace compliance. However, the 2017 review of the Department of Labour's Inspections and Labour Administration system reveals that collaboration between Government and the Social Partners in respect of inspections and workplace compliance still needs improvement. The CEARC has also requested Government to provide information on forms of collaboration undertaken with the Social Partners on the enforcement of legislation and for the health and safety of workers.

The CEARC also raises concerns about a limitation in national legislation regarding inspectors' access to workplaces as outlined in section 65(1) of the Basic Conditions of Employment Act which provides that labour inspectors may only enter workplaces "at any reasonable time". The CEARC maintains that without defining "reasonable time" Basic Conditions of Employment Act limits the scope of the prerogative expressed in article 12 (1) of C81 that empowers labour inspectors to enter freely and without previous notice. And for this reason the CEACR has requested Government to bring national legislation into conformity with the provisions outlined in Article 12 (1) – (b) of the Convention.

2.5 Status on Social Protection

The persistent challenges of unemployment, poverty and inequality in South Africa have necessitated a hybrid social protection system in order to protect the most vulnerable and those at risk while at the same time facilitating an enabling policy environment for economic inclusion through various active labour market reactivation strategies. While South Africa has social protection, it is not well aligned with the dynamics of the labour market. One of the most notable gaps in the current social security system is the absence of a mandatory, affordable and sustainable social insurance cover that provides pension, death, health and disability benefits to the workforce as a whole. While a large number of private and other voluntary social security schemes exist in South Africa, there is still an estimated 2.7 million formal sector workers – primarily low income earners, as well as those working in the informal economy– who are excluded from such arrangements. Even for those who invest in pension schemes there is still a need for safe and sustainable income protection post retirement.

Growing informality in the world of work has exacerbated gaps in social protection coverage with more people in precarious employment, own account workers and other vulnerable workers in the informal economy having limited or no social security coverage. Currently the social insurance system does not extend to South Africans outside of formal wage employment and to those in precarious work situations. Social assistance programmes which target people who are not expected to work (children, the aged and people with disabilities) do not cover the unemployed except to the extent that grants, which are relatively negligible, are shared with other household members beyond the direct beneficiaries. While significant progress has been made through amendments to the Unemployment Insurance Fund (UIF) Act, the fund itself still does not cater adequately for workers that are undergoing work transitions, those that resign for whatever reason and those in seasonal work, the self-employed and other informally employed workers.

To address gaps in the delivery, governance and coverage of the social security system, and informed by policy proposals outlined in the NDP (Vision 2030) for the establishment of an inclusive social protection system, and aligned with **SDG target 1.3**, government has instituted a process for comprehensive social security reform. The reform efforts seek among others to introduce a public fund, financed by contributions from all workers and employers, and which can pay pensions,

disability and survivor benefits, and unemployment benefits. Underpinned by relevant ILO international labour standards, the reform efforts are being driven through a process of national dialogue between Government and the Social Partners through the structures of Nedlac. And the ILO has partnered with Government to support policy reform efforts at establishing a more inclusive social security system.

The fragmentation and inadequate coordination among different social security agencies has presented planning, governance and financing challenges for the effective delivery of social security services. There has been insufficient policy coordination between social insurance funds such as the UIF, Compensation Fund (CF) and the Road Accident Fund (RAF) resulting in high costs and the increasing scope for fraud. And both the CF and the UIF have faced serious administrative weaknesses that have impacted on the timeous processing of claims and pay-out of benefits. This is exacerbated with the lack of coordination within government departments on all aspects of social security.

Workers in precarious employment who are often exposed to occupational health and safety hazards are not able to access the Compensation Fund and this is compounded by the fact that occupational health and safety regulations operate only through formal employment structures and therefore, offer limited or no protection to informal workers. Unlike a number of workers employed in the formal sector, the majority of workers in the informal economy rely on the public health system as most do not have contributory health insurance.

The NDP (Vision 2030) outlines a vision for a health system that works for all South Africans and consistent with SDG target 3.8, the eighth health goal stipulated in the NDP seeks to ensure that all South Africans have access to an equal standard of health care. Cabinet approved a White Paper for a National Health Insurance (NHI) in June 2017 after a robust process of stakeholder engagement which will be followed by the drafting of a NHI bill. The structure, governance funding and sustainability of funding the NHI however, still remains contentious and will necessitate further engagement by the Social Partners with Government in pursuit of an acceptable funding model for sustainable health insurance coverage. The NHI was tabled at Nedlac in 2017 and is currently under negotiation.

2.6. Status on Social dialogue & tri-partism plus

Tri-partism plus and social dialogue continues to be vibrant in South Africa and to play a key role in social and economic policy processes. At the national level, social dialogue finds significant expression through the National Economic Development and Labour Council (Nedlac) which is a National Social Dialogue institution established in terms of the Nedlac Act No.35 of 1994. Labour is represented on Nedlac by the Federation of Unions of South Africa, National Council of Trade Unions, and Congress of South African Trade Unions. Business is represented by Business Unity South Africa. The Department of Labour leads the government delegation. The fourth constituency – “community” – is represented through a variety of organisations representing different interests, namely Disabled People South Africa, South African National Civics Organisation, South African National Youth Council, and the Women’s National Coalition.

The role of Nedlac was exemplified in 2017 when after three years of negotiations and evidence seeking constituencies agreed to introduce a National Minimum Wage and a number of interventions to promote labour relations stability. The ILO played a supportive role in facilitating the gathering of evidence and supporting constituencies to engage in the negotiations. It will be important to ensure that these social partner agreements are fortified as they pass through Parliament.

With the growing dynamism of the labour market, the need for continued efforts at enhancing the effectiveness of Nedlac remains critical. Tackling poverty, unemployment and inequality, as well as the impact of the 4th industrial revolution will continue to feature strongly in negotiation processes at Nedlac and this will necessitate strong institutional capacity for research to ensure appropriate policy and legislative responses.

Trade union membership in South Africa which is at an estimated 3.11 million has been on the decline in recent years, particularly within the private sector where the drop in membership has been quite evident in manufacturing, construction, finance and agricultural sectors²⁵. The changing nature of work in the private sector have been a significant factor in driving the drop in trade union membership. Against the backdrop of the transformational changes impacting on the organization of work, both workers' and employers' organizations face the challenge of organising and representing needs across diverse sectors of the economy, including in Small, Medium and Micro Enterprises as well as in the informal economy.

Another concern relates to the unsatisfactory representation of women in decision making structures and leadership positions within Nedlac²⁶ itself and within the structures of the Employers' and Workers' organizations. In addition, gender issues do not reflect adequately in collective bargaining agreements at national, sectoral, and industry level, as well as at the enterprise level²⁷. While significant strides have been made by some of the labour federations to develop and adopt gender and sexual harassment policies, and to institutionalize gender desks, the effective implementation of such policy interventions is what remains critical. The young women's leadership development programme that was launched under the previous DWCP that targeted young women across the 3 labour federations and in the private business sector began a process of leadership mentorship to empower young women to drive the gender agenda and to gain visibility within their respective organizations.

While the bulk of trade union membership is in the formal sector (largely in the public service), the trade union movement has made efforts to extend membership to vulnerable workers in the informal economy. Amendments to the Labour Relations Act (2012) also provide a firmer legal basis for the organization of workers in non-standard employment, while amendments to the Basic Conditions of Employment Act (2012) now offer greater latitude for workers in precarious employment to be covered by collective agreements.

In various sectors of the informal economy there has been increasing self-organization of workers (including own-account workers) into democratic membership-based organizations that have found ways to lobby for their collective interests²⁸, and to speak with a collective voice in articulating their needs to national and local government authorities. However, the effectiveness and functionality of these collectives vary across municipalities, and there is often an absence of effective or no collective negotiation and social dialogue forums at local government. Since workers in many sectors of the informal economy are more impacted by the actions and policies of local government than national government, there is need for forums²⁹ for negotiation and social dialogue to facilitate participatory decision making at local government level. The concern also is that women in these formations often do not have adequate capacity to fully articulate their interests in social dialogue forums to ensure that their interests are taken on board during decision making processes and the formulation of policy.

South Africa has ratified the ILO Conventions on Freedom of Association and Protection of the Right to Organize Convention, 1948 (No.87) and the Right to Collective Bargaining Convention, 1949 (No.98). Of particular concern by the CEACR is the inability of workers in the agricultural sector to exercise their right to freedom of association.

²⁵ Haroon Borat et al, 2014, Trade Unions in an Emerging Economy: The Case of South Africa, Development Policy Research Unit

²⁶ Nedlac Annual Report 2015/2016

²⁷ Debbie Budlender, 2011, Gender Equality and Social Dialogue in South Africa (ILO – Bureau for Gender Equality Working Paper 2/2011)

²⁸ The Informal Sector in South Africa: Women Street Traders in Durban – by Nombulelo Siqwana Ndulo. Source: <http://www.consultancyafrica.com>

²⁹ StreetNet, 2013 "Towards a model framework for a local level collective bargaining system for street traders"

2.7. Status on Fundamental principles & rights at work

To-date South Africa has ratified a total of 27 ILO Conventions of which only 24 are in force. Included among the ratified conventions are all the eight core conventions of the ILO, two of the four Governance Conventions; and 17 of the 177 Technical Conventions (see annex 1). The ILO Recommendation on HIV and AIDS (R200), and ILO Recommendation on Social Protection Floors (R202) were tabled in the Parliament of South Africa for noting soon after their adoption at the ILC and have served as guiding frameworks in the development of the Code of Good Practice on HIV and AIDS (and its accompanying Technical Guidelines), and the Comprehensive social Security Reform Policy proposals respectively.

There is some indication that Government will table for consideration by Nedlac the ratification of C102 (On Social Security, Minimum Standards), C129 (Labour Inspection in Agriculture), C183 (Maternity Protection), C122 (Employment Policy), C151 Labour Relations (Public Service) and C161 (Occupational Health Services) Convention. During the first programme cycle of the DWCP, Government ratified C189 (Decent Work for Domestic Workers), C188 (Work in Fishing), MLC (Maritime Labour) and C81 (Labour Inspection).

The 8 ILO Core Conventions ratified have guided policy and legislative reform in South Africa. And regular feedback by CEACR on the implementation of these Conventions has served to improve their application. Most of the amendments made to legislation have sought to align them to provisions of ILO Core Conventions to strengthen the promotion of fundamental principles and rights at work. While South Africa has made significant progress towards improving the application of the ILO Core Conventions, there are still substantial implementation gaps that are brought to the attention of Government and the Social Partners by the CEACR. And some of these implementation gaps relate to challenges around non-compliance and the effective enforcement of legislative interventions. The CEACR has encouraged the Government to continue raising awareness and strengthening national capacity regarding the employment equity legislation, among workers and employers and their organizations, as well as amongst enforcement authorities.

Some of the critical concerns by the CEACR on the application of C182 and C138 relate to the absence of data on children engaged in child labour and the need for up-to-date data on the situation of children. The need for putting measures in place to enhance the progressive elimination of child labour is also emphasized by the CEACR in the light of reports that children continue to work in hazardous condition. The CEACR has also urged Government to strengthen efforts at ensuring that Orphans and Vulnerable Children (OVCs) are protected from the worst forms of child labour, and this contributes towards the achievement of SDG 8.8. The drafting of the Prevention and Combating of Trafficking in Persons Act (PCTP) that was adopted in 2013 benefited from the comments of the CEARC regarding the practical application of C182 and C29. Regarding C87 the CEARC has expressed concern on the need for the country to ensure that measures are taken to ensure that vulnerable workers (including domestic workers and domestic farm workers) are able to effectively exercise their right to establish and join organizations of their own choice.

While South Africa has ratified C111 Discrimination (Employment and Occupation) and put in place a comprehensive legislative, institutional and policy framework to address gender inequality, women are still the predominant face of poverty and inequality in the country. And therefore, the CEARC has requested Government to share information on measures taken including by the Commission of Gender Equality, to address gender occupational segregation and to increase the participation of women, in particular black (including African, Indian and Coloured) women, in the labour market including in those occupations mainly occupied by men, and at the senior and top management levels.

2.8. Lessons Learned From Previous DWCP Implementation

The integration of the DWCP Steering Committee within the structures of Nedlac has been a good practice for demonstrated national ownership of the DWCP. Not only has the DWCP been a standing agenda item at meetings of the

Nedlac Management Committee (MANCO), but the DWCP Steering Committee itself has played a supportive role to the Labour Market Chamber of Nedlac.

The mid-term review of South Africa's first DWCP found that it was an overly ambitious programme with too many outputs with the potential to impact negatively on its successful implementation. The lesson deriving from the mid-term review is that 'less is more' and that the second generation DWCP should be more focused with a limited number of priorities, outcomes and outputs and so as to enhance the depth and sustainability of the support provided. The review also found that those activities that were joint priorities or areas of interest by the social partners had a bigger impact than those that were pursued separately by the social partners.

Implementation of the previous DWCP brought to light the critical importance of regular resource mobilization throughout the DWCP programme cycle to ensure greater effectiveness and impact of the programme. This will require not only efforts by the ILO Office for intensified resource mobilization but will also necessitate strengthening the Social Partners' capacity for resource mobilization to give impetus to the implementation of DWCP and to ensure sustainability of interventions in the face of declining donor support to South Africa. The need to explore alternative funding options, including domestic funding has become absolutely critical. Insightful lessons in the pursuit of domestic funding can be drawn from the NORAD³⁰-SECO³¹ funded SCORE project and the Flemish government funded Sustainable Enterprise Development Facility project that were successfully able to leverage funding support from private-public partnerships at the provincial level for the enterPRIZE challenges.

During the previous DWCP implementation it became quite evident that the potential to leverage national resources occurs when DWCP programmes and interventions respond directly to national priorities and demands. The example of the Expanded Public Works Programme (EPWP) Development Cooperation project is a case in point where Government has been the sole donor to support project implementation. The need to build in clear exit strategies within the conceptualization of projects and from the early stages of their implementation is also emphasized by project evaluations in order to increase national ownership and sustainability of project interventions. The involvement of the Nedlac National Steering Committee for the DWCP in the conceptualization and approval of projects is key to ensuring national commitment throughout the project lifecycle. Furthermore, the need to pay greater attention towards mainstreaming gender in project design and for the inclusion of gender indicators in project monitoring indicators is a key lesson deriving from the evaluations of several development cooperation projects.

2.9. The ILO'S comparative advantage

The first strategic pillar, upon which the UNSCF (2013-2017) rests, focuses on the promotion of decent work and inclusive growth in response to a key national development priority on employment creation and decent work. The UN Results Group established to deliver on this strategic pillar has been chaired by the ILO since the launch of the UNSCF on account of the ILO's key mandate and comparative advantage in driving the decent work agenda. The ILO will continue to lead the UN Results Group on Decent Work and Inclusive Growth and bring its expertise and unique tripartite nature to partner with participating UN agencies in order to deliver on key result areas for this strategic pillar.

Within the UN, the ILO's unique tripartite structure, normative and supervisory functions as well as technical expertise and convening capacity on labour are recognized comparative advantages that the ILO possesses to support the national decent work agenda as a fundamental element of sustainable development and inclusive growth, and to assist the country to achieve the SDGs. The ILO's comparative advantage also lies in its facilitative role for social dialogue engagement

³⁰ NORAD – Norwegian Agency for Development Cooperation

³¹ SECO – Swiss State Secretariat for Economic Affairs

which is an essential vehicle for promoting sustainable development. The ILO also leads several alliances and multi-stakeholder partnerships related to SDG 8 and other decent work related goals and targets which present opportunities for collaborative and joint programming as well as resource mobilization to deliver on the new UNSCF.

3. ALIGNMENT WITH NATIONAL, SADC, AU, AND GLOBAL DEVELOPMENT FRAMEWORKS

3.1 Key National Development Frameworks

3.1.1. The National Development Plan (Vision 2030):

The DWCP priorities resonate with the National Development Plan (Vision 2030) whose overall objective is to reduce poverty and inequality through inclusive and sustainable growth and development. Key among the priorities outlined in the NDP is employment creation particularly for the young persons, the extension of social protection coverage, revitalization of the rural economy for sustainable livelihoods and job creation, and the promotion of an environmentally sustainable climate change resilient and green economy.

3.1.2. Medium Term Strategic Framework (MTSF) 2014-2019

The MTSF 2014-2019 presents a vehicle for delivering on the NDP within the electoral mandate of the 5th democratic government. The development outcomes outlined by the MTSF that provide a planning framework that is relevant to the DWCP priorities are notably;

- Outcome 4: Promoting decent employment through inclusive growth;
- Outcome 5: A skilled and capable workforce to support an inclusive growth path
- Outcome 7: A vibrant, equitable, sustainable rural communities for all contributing to food security
- Outcome 10: Protect and enhance environmental assets and natural resources
- Outcome 13: An inclusive and responsive social protection system,

The DWCP priority 1 (More & Better Jobs) and DWCP Priority 2 (Broadening Social Protection Coverage) hold great relevance to the development outcomes outlined above, and in particular outcomes 4, 7, and 13. Outcome 10 in the MTSF features more as a cross cutting policy driver in the DWCP towards ensuring sustainable development outcomes.

3.1.3. The National Strategy for Sustainable Development and Action Plan, NSSD (2011 – 2014)

The NSSD 2011-2014 continues to form part of the national policy framework towards a green economy is premised upon five strategic priorities for which three bear relevance to the DWCP notably;

- Sustaining the ecosystems and to using natural resources efficiently;
- Towards a Green Economy with the objective for a just transition towards a resource efficient, low carbon and pro-employment growth path.
- Responding effectively to climate change.

The South African government has prioritized the green economy and initiated a number of enabling policies for the required signals in moving the country towards a green economy. The prioritization for the transition to a green economy is reflected in a number of policies including the NDP and the MTSF.

3.2. SADC Development Framework

3.2.1. SADC Decent Work Programme (2013-2019)

Priorities in the **SADC Decent Work Programme (2013-2019)** include support to member states towards ratification and application of Conventions with particular focus on the governance Conventions; support towards addressing decent work deficits in the informal economy to facilitate their transition towards formalization; youth employment; the adoption of rights based labour migration policies and strengthening member states' and labour and employer constituency capacity to generate and disseminate labour market information.

3.2.2. SADC Industrialization Strategy and roadmap 2015-2063

Some of the key priorities outlined in South Africa's national development policy frameworks and the DWCP find resonance in the SADC Industrialization Strategy and Roadmap. The strategy emphasizes the need for the SADC member states to restructure and repurpose educational systems so that they are better tailored to meet the requirements of modern industry. Recognising the high levels of unemployment and economic marginalization of women and youth, the strategy underscores the importance for member states to widen the scope and quality of women and youth participation in the industrialization process by facilitating their improved access to finance, skills development, SME support programmes. It also encourages member states to promote an enabling environment for the growth and sustainability of SMEs and an environment that facilitates the integration of SMEs into domestic, regional and even global value chains. In addition the SADC industrialization strategy recognizes the importance for member states to adopt green technologies and measures to reduce the impact of industrialization and livelihoods on climate change.

3.3 African Union Development Frameworks

3.3.1. The AU Declaration on Employment, Poverty Eradication and Inclusive Development in Africa (2015)

The AU declaration expresses a commitment by the Heads of State and Governments of the African Union to end the challenge of the persistently high levels of unemployment and underemployment in the course of the next 10 years. The Declaration further expresses the commitment to ensure the speedy and well-resourced implementation of a number of priority areas including youth and women employment, social protection and productivity for sustainable and inclusive growth, well-functioning and inclusive labour market institutions as well as labour migration and regional economic integration.

The Heads of State and Government of the AU also undertook to effect reforms at national, regional and continental levels to address structural constraints, improve business practices and investment incentives, to stimulate entrepreneurship, promote private-public partnerships, and to create an enabling environment for increased production and decent employment opportunities to achieve inclusive and equitable growth. They also committed to accelerate the empowerment of the poor and the vulnerable, particularly in the rural communities and the urban informal economy, the unemployed and the underemployed and to take all measures to increase the abiding to fundamental principles and rights in protecting workers and their families from forms of work that are detrimental to current and future generations.

3.3.2. The African Union Agenda 2063

The AU Agenda 2063 aspires for a prosperous Africa based on inclusive growth and sustainable development. Priority areas outlined in AU Agenda 2063 Framework Document also provide a policy context for the DWCP include the following;

- Focus on incomes, jobs and decent work
- Addressing poverty, inequality and hunger
- Promoting social security and protection including persons with disability
- Promoting environmentally sustainable and climate resilient economies and communities

3.4 The United Nations Development Framework

3.4.1. The 2030 Agenda for Sustainable Development

The DWCP is aligned to the 2030 Agenda that places decent work at the heart of policies for sustainable and inclusive growth. The priorities for the DWCP will facilitate ILO technical and capacity support to Government and the Social Partners in addressing development priorities aligned primarily with SDG 8, and also SDGs 2, 3, 4, 5, 10 and 16. Under SDG 8, the DWCP priorities will lend particular support towards the achievement of targets 8.3 in contributing towards the promotion of development oriented policies to support decent job creation, entrepreneurship, and the formalization of the SMMEs; target 8.4 through introducing tools and capacity for greening enterprises; target 8.5 on promoting equal pay for work of equal value; target 8.6 on reducing youth not in employment, education or training; target 8.7 towards the elimination of child labour; and target 8.8 on protecting labour rights and promoting safe and secure working environments for all workers. SDG targets that fall outside of SDG 8 which also hold relevance to the priorities of the constituents include targets 1.3, 1.5, 2.4, 3.8, 3.3, 4.4, 5.1, 5.4, 5.5, 5c, 10.3, 10.4, 10.7, 16.7, and 16.2.

3.4.2. The United Nations Strategic Cooperation Framework (UNSCF) 2013-2017

The UNSCF was extended by one year ending in the first quarter of 2019 to ensure alignment of the next UNSCF with Government's planning cycle beginning 2019 subsequent to the sixth national general elections. The current UNSCF rests on four strategic pillars notably, Inclusive Growth and Decent Work, Sustainable Development, Human Capability and Governance & Participation. The findings of the mid-term evaluation of the DWCP, final evaluations of ILO Development Cooperation projects and the evaluation of South Africa's implementation of the Decent Work Agenda for Africa fed into the final evaluation of the UNSCF that was conducted in the first half of 2017. The country diagnostic for the DWCP was significantly informed by the preliminary findings of the UN Common Country Analysis for the next UNSCF process and vice-versa. However, the extension of the UNSCF has meant that the CCA process will only be finalized in 2019. The preliminary findings of the CCA derive from an analysis of the country progress on the MDGs, the 2030 Sustainable Development Agenda, the implementation of the NDP, as well as lessons learnt from the UNSCF (2013-2017). It is envisaged that the priorities for the next UNSCF will be underpinned by the SDGs.

4. SOUTH AFRICA DWCP COUNTRY PRIORITIES

The priorities of the South Africa Decent Work Country Programme as determined by the constituents are the following;

- (a) To promote more and better jobs;
- b) To broaden social protection coverage; and
- (c) To promote strong and representative employers' and workers' organizations.

These priorities align to the national, sub-regional, continental and global frameworks outlined in section 7 above, namely the NDP 2030, MTSF 2014-2019, the SADC Industrialization Strategy and Roadmap 2015-2063, the SADC DWP 2013-2019, the AU Agenda 2063, AU Declaration on Employment, Poverty Eradication and Inclusive Development in Africa, and the 2030 Agenda for Sustainable Development (SDGs).

In line with the provisions of the ILO Declaration on Social Justice for a Fair Globalization, the programmatic approach towards implementing the DWCP will take due account of the inseparable, interrelated and mutually supportive nature of the four strategic pillars of decent work. And this will necessitate collaborative work across all technical sectors of the ILO reflecting the integrated approach required by the Social Justice Declaration.

PRIORITY 1: More and Better Jobs for Inclusive Growth

Outcome 1.1: Improved labour market interventions and policies to create more and better jobs particularly for youth, women, and persons with disability

National Priority: Decent employment through inclusive growth

UNSCF Priority: Inclusive Growth and Decent Work

Strategy:

Against the backdrop of high unemployment, poverty and inequality that have a disproportionate impact on youth, women and persons with disability, the ILO will draw upon its resources and tools to support the promotion of an inclusive policy environment anchored on the principles of non-discrimination and rights at work. This will entail sensitization, advocacy and capacity support for the mainstreaming of International Labour Standards (particularly the Core Conventions) in the development of policy for employment as well as for migration. To this end policy makers and negotiators within Nedlac and other relevant structures will be sensitized on provisions of ILO Conventions with particular focus on the ILO Core Conventions and on how to factor these provisions and the spirit of these Conventions into negotiated policy proposals and legislation.

ILO support will also be provided towards gender sensitive review of the implementation and impact of policy proposals outlined in the NDP to support evidence based solutions that can be used to improve their effectiveness, targeting, and overall impact. Lessons drawn from a number of studies undertaken under the auspices of the PAGE project of which the ILO is a part, will come to bear on further analyses carried out to examine the impact of green policy on job creation and employment potential of green technology. Implementation of the PAGE project will furthermore facilitate ILO capacity support towards the effective engagement of the social partners in national policy dialogue for a just transition towards an environmentally and socially sustainable economy in South Africa.

Within the context of the current national, regional and international discourse on the future of work, continued support will be provided through research and knowledge sharing on emerging patterns in the South African labour market that shape the future of work, including emerging skills requirements to inform relevant labour market solutions and skills development reform, and to identify labour market segments and jobs that may have become obsolete. The research will also aim to examine adverse influences of the changing nature of work for appropriate policy and legislative interventions to safeguard workers' rights to decent work. The research undertaken as described above will inform policy dialogue engagement between government and the social partners for policy reform and in the pursuit of adaptable labour market institutions.

To enhance the impact of employment services on the labour market, technical support will entail a comprehensive assessment of the policy environment and institutional mechanisms for the effective provision employment services for young women and men (including disadvantaged youth). This will be coupled with an in-depth analysis of the economic and work requirements of the labour market to inform appropriate support services for young work seekers. Research on emerging skills requirements will be used to also inform appropriate employment services. International good practices on intra-governmental and public-private partnerships that provide for the coordinated delivery of employment policies and active labour market interventions will be shared as part of the package of advisory support services to be provided.

Within the context of growing national commitment towards a greener economy, the awareness and sensitization of the social partners becomes critical to enhance their effective participation in social dialogue towards a just transition to a low carbon economy. To this end training and sensitization support to the constituents to enhance their understanding of the implications of climate change, on green concepts and an appreciation for green technology for sustainable development.

The strategy will also include advocacy for and ratification of the ILO Employment Policy Convention Sensitization on the provisions of the Employment Policy Conventions, 1964 (No.122) whose provisions will also be used to guide social dialogue engagement for policy reform and measures taken to promote employment. The strategy also incorporates a gender equality and non-discrimination approach throughout, with special attention paid to the comments of the CEACR where relevant.

Outcome Indicators:

1.1.1. Existence of a coherent national employment policy environment that is gender responsive and in line with International Labour Standards and integrating provisions for a just transition to a low carbon economy

Target(s): A coherent national employment policy environment that is gender responsive and integrates ILS and provisions for a just transition is established by 2022

1.1.2. Number of young registered work-seekers (including disadvantaged youth) placed in registered employment opportunities per year

Target (s): 30% of the young registered work-seekers are placed in registered employment opportunities by mid-2023.

1.1.3 Legislation or policy amendments adopted by Parliament include consideration of the comments of the CEACR (adopted in 2015) regarding occupational segregation and equal pay for work of equal value; and the CEACR comments on C138 (adopted in 2016) with reference to article 1; and CEACR comments of C182 (adopted in 2016) with direct reference to article 5 and 7(2)

Targets: All the comments of the CEACR on C100, C138 and C182 are considered by mid-2023.

Outputs:

- 1: Policy makers and negotiators within Nedlac, and other policy making structures are sensitized on provisions of up-to-date ILO Conventions, reports issued by the CEACR and on concepts relating to the green economy.
- 2: A gender sensitive review of the implementation impact of policy proposals outlined in the NDP as well on emerging patterns in the South African labour market shaping the future of work is conducted.
- 3: A comprehensive assessment of the policy and institutional environment for the provision of employment services for young women and men (including disadvantaged youth) is conducted
- 4: Advocacy is undertaken for the ratification of the ILO Employment Policy Convention 1964 (No.122).

Outcome 1.2: Enhanced reforms to labour legislation and the business regulatory environment facilitate the transition of the informal economy to the formal economy, and growth of sustainable SMEs

National Priority: Decent employment through inclusive growth

UNSCF Priority: Inclusive Growth and Decent Work

The ILO will work through inclusive national consultative structures to lend technical and capacity support to national efforts at transitioning the informal economy towards formalization. Drawing from diagnostic assessments (including diagnostic studies on the gender dimensions of informality) and national dialogues on the informal economy, technical support will be provided to government and the social partners (including representative membership based organizations)

towards developing an integrated and gender sensitive National Strategy towards formalizing the informal economy. The national strategy will be 3 pronged focusing on institutional and policy reform to expand the scope of legal recognition to new forms of employment across all sectors of the economy in order to extend access and rights to all workers in informal employment; policy, regulatory and legislative reforms and measures conducive to the formalization of economic units in township economies, rural, urban and peri-urban settlements; and on strengthening coherence and coordination between relevant government departments and other national structures and across the 3 spheres of government.

Legal reform for the expansion of legal recognition to new forms of employment will entail an assessment of the South African policy and legislative environment against provisions of Recommendation 204, an identification of legislation and policy frameworks that require reform and the drafting of proposed amendments to legislation found to have gaps in the extension of legal protections to the rights of certain categories of workers. This aspect of the strategy will seek, through legal reform, to facilitate the transition of workers in informal employment, to ensure that the rights and working conditions of those working under conditions of informality (including vulnerable sectors of the economy such as agriculture, domestic work) and those under disguised employment relationships are effectively protected by law. It will also seek to ensure those working in informal employment are also able to exercise the right to freedom of association and the right to collective bargaining. Such legislative and policy reforms will address the particular needs of vulnerable workers in the informal economy such as women, persons who are differently abled, persons living with HIV/AIDS and migrant entrepreneurs.

Support to economic units will draw upon the findings and recommendations of the EESE³² assessment report conducted in 2016-2017 under the Government of Flanders funded Knowledge Sharing project to revise or develop new gender sensitive regulatory frameworks and business innovations to improve the business environment for SMMEs and informal businesses in the informal sector, including in the rural economy. This will also include reviewing the regulatory environment for SMMEs and informal businesses to introduce business incentives and other mechanisms to enhance compliance with regulatory requirements and the ease of doing business. Lessons emanating from the Government of Flanders funded Social Economy Policy project will also be used to shape an enabling policy environment for the promotion and growth of social enterprises in the informal economy. At municipal level and working through inclusive stakeholder consultative processes, technical assistance will be directed towards the review of municipal by-laws (including city regulations) to address constraints to the growth and survival of informal and small businesses. Further assessment of the business environment from a gender perspective will help strengthen targeted interventions for women entrepreneurs.

Informed by inclusive and participatory processes to ascertain capacity needs by informal economy stakeholders, and drawing upon lessons from previous development cooperation projects such as the Public Private Procurement and Social Economy project and the Small Enterprise Development Facility project, capacity support will be provided to BDS providers, municipal managers and local economic development (LED) officials to provide effective enterprise level support services to informal businesses (including cooperatives) and SMMEs across township economies and urban and rural areas. The BDS capacity support for SMMEs and informal businesses will include facilitated access to financial institutions and markets through local procurement and value chain development. Against the backdrop of climate change and its impact on sustainable livelihoods, enterprise development support will also include training and advisory services to help informal businesses and SMMEs adopt environmentally responsible business practices such as green enterprises.

The successful transition of the informal economy towards formalization will rest significantly on strong coordination and coherence of functions between government line departments and other structures and across the 3 spheres of government. Social dialogue engagement amongst officials in relevant departments across the 3 spheres of government

³² EESE – Enabling Environment for Sustainable Enterprises

will be crucial to bring sensitization on their respective roles and for a coordinated approach in the delivery of support towards tackling the challenges of informality.

Complementing interventions outlined in the aforementioned strategy and building upon previous ILO enterprise development support, technical assistance will be provided towards the finalization of an Informal Business Chamber Support programme and a national on-line SMME register managed by the National Department of Small Business Development to facilitate access by SMMEs and informal businesses to government driven business support services.

Tapping into an existing partnership with the national statistical office, continued capacity support will be provided to strengthen national capacity to monitor progress on SDG 8 (in particular 8.3, 8.5, 8.8) and for the collect, analysis and dissemination of labour statistics disaggregated by rural/urban area, sex and demographic subgroup to support evidence based policy dialogue.

Outcome Indicators

1.2.1: Policy and institutional law reforms that are gender sensitive extend legal recognition and protection to workers in the informal economy

Target: Reforms to policy and institutions that extend access and legal protection to workers in the informal economy are instituted by end 2022.

1.2.2: Number of formalized businesses (disaggregated by age, gender of business owner, persons with disability)

Target: 100, 000 informal businesses become formalized by end 2022
(Baseline on disaggregation data to be compiled within the first 18 months of DWCP implementation)

1.2.3: Number of enterprises (including green and social economy enterprises) targeting women, youth and persons with disability that are established and access innovative BDS in rural, urban and township economies

Target: X number of enterprises (including green and social economy enterprises) targeting women, youth and persons with disability that are established and access BDS in the rural, urban and township economies by mid-2023. (Baseline on disaggregated data is not readily available). Baseline to be compiled within the first 18 months of DWCP implementation through desk review of reports on enterprise development initiatives undertaken in rural, urban and township economies interviews under the auspices of the National Department of Agriculture, and the National Department of Small Business Development.

Outputs:

1. The policy and legislative environment is reviewed to promote legal recognition and protection to workers in the informal economy.
2. The regulatory environment for SMMEs and informal businesses is reviewed to promote the ease of doing business and to address constraints to the growth and survival of informal businesses.
3. Municipal managers and local economic development (LED) officials are trained to provide enterprise level support services (BDS) to informal businesses (including cooperatives) and SMMEs across township economies and urban and rural areas.
4. A mechanism for strengthening the coordination and coherence of functions between government line departments and other structures and across the 3 spheres of government is developed to facilitate the transition of the informal economy to formal economy.

5. Support provided to strengthen the capacity of the national statistical office and other Labour Market Units to collect, generate and disseminate labour statistics disaggregated by rural/urban, sex, and demographic sub-group to support evidence based policy dialogue.

Outcome 1.3: Improved capacities of labour market institutions to expeditiously facilitate knowledge based policy deliberations and negotiations and to promote sound industrial relations

National Priority: Decent employment through inclusive growth
A responsive labour market

UNSCF Priority: Inclusive Growth and Decent Work

Proposed strategy

Tackling poverty, unemployment and inequality, as well as finding appropriate policy and legislative responses to mitigate the impact of the 4th industrial revolution on the future of work will continue to feature significantly in social dialogue. The effective engagement by government and the social partners to address the triple challenges of inequality, unemployment and poverty, and other challenges confronting the labour market will necessitate strong labour market institutions and the enhancement of the capacity to expeditiously facilitate and implement knowledge based policy deliberations and negotiations. To this end, advisory and capacity support will be provided towards enhancing the research capacity of Nedlac and other labour market institutions (such as the CCMA, wage setting commissions, bargaining councils). The support will include knowledge sharing on good practices of labour market institutions that have strengthened their knowledge systems and institutional capacities to gain ready access to relevant and up-to-date labour market data to support policy dialogue. Support to labour market institutions will also include a component on strengthening their institutional capacity to monitor the impact of policy and legislative outcomes of their deliberations. The strategy will also entail strengthening the capacity of the secretariat of Nedlac and other labour market institutions to deliver on their mandates and enable them to provide relevant services to the social partners. Gender mainstreaming capacity support and sensitization to the issues impacting on persons with disability will be facilitated for the social partners who negotiate in Nedlac and other labour market institutions to enhance the mainstreaming of issues of vulnerable categories of workers in the labour market. This capacity support will be coupled with on-going sensitization amongst the constituents of the comments of the CEARC on the implementation gaps of C100 and C111.

Out of the wage inequality negotiations in Nedlac, there has been growing interest by the social partners on addressing high levels of wage inequality. Within this context, capacity and technical (including research and knowledge sharing) support will be provided to the Nedlac social partners and key wage setting institutions to enhance the quality of their engagement towards promoting inclusive, race and gender sensitive wage policies, including policies that address wage inequality.

Addressing strike violence and protracted negotiations over wages and other working conditions across various sectors of the economy also requires support to institutions such as the CCMA and bargaining councils to promote a culture of dispute prevention to pre-empt disputes that can be addressed in a peaceful and orderly manner. To this end ILO support will be provided towards knowledge sharing and the establishment of training material and guidelines to give effect to the Code of Good Practice on Collective Bargaining, Industrial Action so as to promote dispute prevention. Support will also be activated to promote knowledge sharing and information on productivity.

Outcome indicators

1.3.1: Upgraded research capacity and knowledge systems of labour market, skills development and future of work orientated institutions (e.g CCMA, Nedlac, bargaining councils)

Target: At least 3 labour market institutions have upgraded their research capacity and knowledge systems by end 2022

1.3.2: Number of working days lost per 1,000 workers due to industrial action

Target 50 working days lost per 1,000 workers due to industrial action by end 2022

1.3.3: Existence of a policy or regulatory mechanism to address unjustifiable wage inequality

Target: Policy or regulatory mechanism to address unjustifiable wage inequality is adopted by end 2020.

Outputs:

- 1: Advisory and capacity support provided to strengthen the institutional capacity of Nedlac and other labour market institutions (such as the CCMA, wage setting commissions, bargaining councils) for research.
2. The secretariat of Nedlac and of other labour market institutions is trained to provide improved services to the social partners and to carry out the overall mandate of these institutions
- 3: Social partners at Nedlac and in other labour market institutions are trained to mainstream issues impacting on vulnerable segments of the population in policy and legislative deliberations.
- 4: Technical support, including research, provided to wage setting institutions to enhance the quality of their engagement towards inclusive, race and gender sensitive wage policies
- 5: Training materials and guidelines that give effect to the Code of Good Practice on collective bargaining and dispute prevention are developed and disseminated.

PRIORITY 2: Social Protection

Outcome 2.1: Expanded and effective social security systems

National Priority: An inclusive and responsive social protection system

UNSCF Priority: Increased access by vulnerable populations to social protection services

Strategy:

Within the context of Government's development strategy for an inclusive social protection system as articulated in the National Development Plan (Vision 2030) and consistent with the SDG targets 1.3 and 10.4, ILO technical and capacity support will be provided to assist Government and the Social Partners to design a more comprehensive, inclusive and effective gender sensitive social security system and to support a process of engagement for expanding contributory and non-contributory social protection to the informal and rural economy. To this end, capacity support to Government and the Social Partners in Nedlac through research, short trainings, seminars workshops, and knowledge sharing will be given to facilitate their engagement to identify socially effective, financially efficient and fiscally affordable, sustainable and inclusive social security reform policy options. The identification of policy options will entail the actuarial valuation of different reform options including the assessment of sustainable funding models for a contributory National Social Security Fund, and automatic balancing mechanisms for a National Social Security Fund (NSSF) and non-contributory social protection floors. Technical assistance will also be provided towards the analysis of options for the coverage of informal sector workers in terms of benefits and contribution rates, and an actuarial valuation for the incorporation of informal sector workers in the NSSF to inform recommendations for the design of an appropriate scheme. Drawing from domestic and international good practices, technical assistance will be directed towards developing a regulatory and governance

framework for the effective delivery of the NSSF and to assess the impact of social security coverage in the informal economy on governance and delivery systems. Once the policy for social security reform is in place, technical assistance will be geared towards the drafting of a Bill for the implementation of the NSSF and towards the drafting of an operational plan for the NSSF. Throughout the design of the NSSF, special attention will be paid to ensure gender responsive measures. The design of the social security reform programme will be underpinned by relevant international labour standards and in particular the Social Protections Floor Recommendation (R202) and the Social Security (Minimum Standards) Convention (No. 102).

An in-depth analysis of the operational and governance challenges of complementary social insurance funds such as the Compensation Fund, Unemployment Insurance Fund and Road Accident Fund will be conducted to inform appropriate policy responses to strengthen their functioning. Drawing from international experiences, technical and advisory support will be provided to improve policy coherence and coordination in administration and infrastructure across the different social insurance funds such as the Compensation Fund, Unemployment Insurance Fund, and the Road Accident Fund. Within the context of the current discourse for a sustainable funding model for the National Health Insurance, technical assistance and knowledge sharing on international experiences on sustainable financing mechanisms will be facilitated. Consideration will be applied on how social security policy can be adjusted to cater for diverse forms of employment as part of the future of work.

Within the context of UN collaborative programming, the ILO will partner with relevant agencies to support the strengthening of a National Social Protection floor that extends effective services to the informal economy and ensures gendered responses to the needs of the informal economy such as extending unemployment insurance and access to compensation for occupational illnesses and diseases, pensions, and effective and safe care facilities to facilitate women's more active involvement in the broader economy. Support for continued advocacy for the ratification of the ILO Maternity Protection (C183) and sensitization on provisions of the ILO Workers with Family Responsibility Convention (C156) will be significant in promoting a policy environment that reconciles family responsibilities with work.

Working closely with Stats SA capacity support will be provided for updating the national statistical database and for strengthening monitoring mechanisms to measure achievement of SDG targets related to social protection and the management of sustainability of social protection (1.3, 10.4, 5.4)

Outcome indicators

2.1.1 Existence of policy reform for a gender sensitive, comprehensive, affordable, sustainable and inclusive National Social Security Fund

Target: Policy reform adopted for a gender sensitive, comprehensive, sustainable, affordable and inclusive National Social Security Fund by mid-2023.

2.1.2. Institutional policy reform for improved coordination of the governance, administration and infrastructure of the different social insurance funds

Target: Institutional policy reform is instituted for the improved coordination of the administration and infrastructure of the different social insurance funds by end 2019.

2.1.3. Existence of a sustainable funding model for universal access to health care

Target: A sustainable funding model for the universal access to health care is adopted by end 2023

Outputs:

- 1: Short courses and workshops conducted for government social security practitioners and the social partners to strengthen their capacity of to identify socially effective, financially efficient and fiscally affordable inclusive social security reform policy options.
2. An actuarial valuation of different reform options for a contributory National Social Security Fund (NSSF) including the incorporation of informal sector workers is conducted.
- 3: A draft bill and operational plan for the implementation of a NSSF developed.
4. An in-depth analysis of the operational and coordination challenges of complementary social insurance funds such as the Compensation Fund, Unemployment Insurance Fund and Road Accident Fund conducted
- 4: Technical and capacity support provided to Workers and Employers organizations to engage effectively in social dialogue for a sustainable and affordable National Health Insurance Scheme
- 5: Officials in the national statistical office trained for the collection, analysis and dissemination of labour market data to monitor progress on SDG targets related to social protection (1.3, 10.4, and 5.4)

PRIORITY 3: Strong and representative workers and employers organizations

Outcome 3.1: Enhanced capacity and effectiveness of workers' and employers' organizations

National Priority: Promoting a responsive labour market

UNSCF Priority: Strengthening governance and participation

Strategy:

The findings of the EESE assessment conducted during 2014-2016 will continue to be used by Business to influence policy and advocacy for regulatory reforms to assist micro and small enterprises as well as informal businesses to graduate towards formalized entities with greater leverage to participate in Employers and Business Membership Organizations.

Support will be extended towards undertaking comprehensive organizational scans and needs assessments of workers and employers' organizations to assess their fitness for purpose against the backdrop of transformational changes in the world of work. The review of these organizational structures will pay particular attention to their governance systems, mechanisms for financial sustainability, management practices, research capability and capacity to increase membership. The findings of the needs assessments will inform the review or development of organizational strategic plans for the workers and employers' organizations and the identification of sustainable funding models for the functioning of these organizations.

Capacity support will also be provided to the workers and employers organizations to undertake audits of their members' needs. Such audits will help to inform the development of relevant and quality services and assist Employers and Workers Organizations to redefine service strategies for their membership in light of changing business models, production processes and work relations. For organized labour this will include knowledge sharing on innovative strategies (including through legal reform) to safeguard the recognition, organizational and representational rights of workers involved in precarious work (including those in disguised employment relationships). Organizational support to employers' and workers' organizations will also aim to strengthen and improve their capacity to extend effective services to workers and economic units in the informal economy. This will also include assisting workers and employers' organizations to develop

marketing strategies to increase the retention and recruitment of new members and the organization thereof. The development and use of a database of registered SMMEs will be particularly useful in this regard.

Databases of membership based organizations in the informal economy will also be developed. And databases will be used to identify membership based organizations, cooperatives and associations for audits to identify their organizational and capacity needs to inform appropriate support services to their members. The audits will include an in-depth analysis of the governance, management, financial and organizational challenges faced by these organized entities in the informal economy. Partnerships with relevant national and locally based institutions will be made to strengthen services provided to membership based organizations and associations through the Informal Business Chamber Support programme. Capacity support will also be provided to facilitate the organization of unorganized workers.

Strengthening and promoting gender equality across workers and employers organizations will be driven through the implementation of gender and sexual harassment policies, the young women's leadership development programme for young women trade unionists and young women within the private sector, as well as continued support to the gender focal point system across the three labour federations. Support will also be made available to the Employment Equity Commission and B-BBEE Commission to strengthen analytics and data collection in relation to gender representivity and equality. Specific and targeted support to scalable programmes targeting women entrepreneurs will be given to improve the competitiveness of their businesses. In line with the Women at Work Initiative, research will be supported to examine the status of women in the world of work and the findings used to inform advocacy and a business case for promoting gender equality in the workplace. The women's leadership development program will be also be adapted for extension to women in membership based organizations, including those representing the most vulnerable sectors of the informal economy to enhance their voice and visibility in leadership positions.

Within the context of South Africa's full engagement in sub-regional work and constituents' involvement in the development agenda of the SADC Labour and Employment Sector, ILO technical and capacity support will also be provided towards supporting the employers and workers' organization's full and effective engagement in deliverables of the SADC Decent Work Programme with a specific focus on representivity and execution of regional strategies of the representative employer and worker structures.

Outcome Indicators:

3.1.1. Number of representative workers' and employers' organizations that have reviewed or developed new strategic plans to optimize their organizational structures, governance and management practices in line with the changing world of work.

Target: All representative workers and employers' organizations review or develop new strategic plans to optimize their organizational structures, governance and management practices by mid-2022.

3.1.2. Number of representative workers' and employers' organizations as well as membership based organizations in the informal economy that have successfully increased their membership and extend services to their members

Target: All representative workers and employers' organizations successfully increase their membership and extend services to their members by mid-2023, including their reach to membership based organizations and associations in the informal economy.

3.1.3 Existence of support programmes that aim to enhance inclusivity, including gender representivity, in workers and employers' organizations, membership based organizations in the informal economy and the employment equity commission

Target: At least one support programme that aims to enhance inclusivity, including gender representivity, in workers and employers' organizations, membership based organizations in the informal economy and the employment equity commission is established by end 2022.

Outputs

- 1: Comprehensive needs assessments conducted of workers and employers' organizations.
- 2: Informed by the needs assessments, strategic plans are developed by workers' and employers' organizations to respond to their members' needs.
- 3: A package of quality services are developed by employers' and workers' organizations for their member ship (including workers and economic units in the informal economy)
- 4: Databases of membership-based organizations in the informal economy are developed to facilitate assessments of their organizational needs.
- 5: Support programmes aimed at promoting women's leadership, gender equality and inclusivity are developed and rolled out across trade unions and employers organizations and to membership-based organizations within the informal economy

Outcome 3.2: Enhanced capacity of employers and workers organizations to participate in collective bargaining and social dialogue

National Priority: Promoting a responsive labour market
UNSCF: Strengthening governance and participation

Strategy:

The strength of workers' and employers' organizations is significantly shaped by their organizational capacity to negotiate and participate effectively in social dialogue and collective bargaining. Support provided to this end will necessitate assessing the institutional capacity of worker and employers organizations to facilitate their members' effective engagement in social dialogue and collective bargaining. Part of this assessment will examine the policy research and advocacy capacity of these organizations to generate a strong knowledge base that can adequately equip their respective members with the resources to influence policy and the policy agenda at national, sub-regional, continental and even at the global level. This support will also seek to enhance the effective participation of workers and employers in a plethora of platforms including bipartite and tripartite discussions held on the future of work, and within the context of the SADC and the BRICS. Through a partnership with the University of the Witwatersrand that manages the Global Labour University, the ILO will lend capacity building support to trade unionists enrolled in an in-depth qualification programme that seeks to strengthen the role of labour in influencing the development process. The training programme will cover areas such as macroeconomics, industrial relations, international labour standards, sustainable development, global supply chains, trade agreements and other development issues. Support will be provided to Employer Organisations to enhance professionalisation and knowledge sharing on transformation.

Support will also be provided to strengthen the capacity of workers and employers to influence trade policy to ensure decent work outcomes in trade agreements. This will include support for empirical research and development of tools to examine the impact of the various trade agreements on the local industries, labour market, the quality of jobs, and on sustainable development. In addition, support will be provided for the development of tools and portals to allow social partners to more effectively, participate in, and influence on-going multilateral trade negotiations. Sensitization of the constituents on relevant ILS and other international instruments, as well as on the 2030 agenda for sustainable development will seek to promote trade agreements that lend support to inclusive and sustainable economic growth and decent work.

Capacity support will be provided, including for newly recruited members of Organized Labour and Business on the principles of social dialogue and collective bargaining, and this will be coupled with sensitization on provisions of ILO Conventions 87, 98 and 144 that have already been ratified by South Africa and provide a basis for sound labour market governance. Mutual gains negotiations training will be extended to shop-stewards and negotiators in workers and employers organizations to facilitate their effective participation in collective bargaining processes, and in negotiation processes within Nedlac and other labour market institutions. The capacity building support will include training for mainstreaming gender in social dialogue and collective bargaining in order to support gender responsive policy and legislative outcomes and collective agreements. Within the context of the constituents' growing interest in strengthening collective bargaining in the public service which accounts for a significant proportion of employment in the country, the ILO will lend technical and knowledge sharing support to national dialogue on promoting collective bargaining in the public service and towards the possible ratification of C151.

Enhancing the awareness and understanding amongst workers and employers of the contents of the Code of Good Practice on Collective Bargaining, Industrial Action & Picketing amongst workers and employers organizations will contribute towards a shared ethos for conflict resolution. The ILO will also work closely with representative employers and workers organizations and associations in the agricultural sector to promote continued sensitization and training on the right to freedom of association and collective bargaining, and to provide capacity support for bi-partite social dialogue engagement on labour related issues in the sector.

Capacity support will be given to workers and employers organizations to assist vulnerable workers in the informal economy to organize and to lend advocacy support for the legal recognition of organized workers in the informal economy (including own-account workers) and membership based organizations, and for their full participation in statutory collective bargaining processes. At local government, partnerships will be established with municipal structures to strengthen their capacity for social dialogue engagement and towards the establishment of effective and inclusive social dialogue and negotiation forums, including the establishment of negotiating forums with vulnerable sectors of the informal economy such as street vendors, waste pickers, and informal transport workers. The above mentioned institutional arrangements at the level of local government will entail a review of municipal regulations or policies insofar as they govern stakeholder engagement, social dialogue and collective negotiations. It will also entail social dialogue and negotiations training support for municipal officials and LED officials as well as for members of membership based organizations in the informal economy including, cooperatives and informal traders associations. Capacity support will be provided to women in membership based organizations, cooperatives and associations through the women's leadership development programme to enhance their voice and promote their visibility in leadership positions, and to strengthen their ability to influence policy decisions that are gender responsive in negotiation and social dialogue forums.

Outcome Indicators:

3.2.1. Number of policy agendas, decisions and agreements reached at national, sub-regional, regional and at the international level (including within the context of south-south cooperation) that reflect the views of workers' and employers' organizations.

Target: X number of policy agendas, decisions and agreements reached at national, sub-regional, regional and at the international (including within the context of south-south cooperation) that reflect the views of workers' and employers organizations by 2020. (Baseline to be compiled within the first 12 months of DWCP implementation through desk review research and analysis of the content of previous and current policy documents and agreements. This will be undertaken in close collaboration with the social partners)

3.2.2. Existence of mechanisms to foster inclusive consultative processes, social dialogue and mutual gains bargaining in the rural economy

Target: Mechanisms to foster inclusive consultative processes, social dialogue and mutual gains bargaining in the rural economy by end 2023

3.2.3. Legal or practical reform measures undertaken to give effect to the rights of informal economy workers' and employers' organizations to participate in collective bargaining.

Target: Legal or practical reform measures undertaken to give recognition to the rights of informal economy workers' and employers' organizations to associate, participate in collective bargaining by end 2022.

Outputs:

- 1: Institutional capacity of workers and employers organizations to facilitate their members' effective engagement in social dialogue and collective bargaining examined
- 2: Capacity building support provided to workers and employers organizations to enhance their ability to influence trade agreements to reflect decent work outcomes.
3. Shop-stewards and negotiators in workers and employers organizations trained on mutual gains negotiations, gender mainstreaming and social dialogue.
- 4: Sensitization sessions facilitated for workers and employers in the agricultural sector on the right to freedom of association and collective bargaining, and on social dialogue.
5. Advocacy undertaken for the legal recognition of organized workers in the informal economy (including own-account workers) and membership based organizations, and for their full participation in statutory collective bargaining processes
6. Social dialogue and negotiations training provided for municipal and LED officials as well as for membership based organizations in the informal economy

5. MANAGEMENT, IMPLEMENTATION, PLANNING, MONITORING AND EVALUATION ARRANGEMENTS

5.1. Role of the Nedlac Steering Committee

The formulation, implementation, and management oversight role for the South Africa Decent Work Country Programme (DWCP) will be driven within the structures of Nedlac through a National Steering Committee. The National Steering Committee for the South Africa DWCP is comprised of (at least) two representatives from Government, Organized Labour, Business and Community within Nedlac and a representative from the ILO. The National Steering Committee will convene at least once every quarter in a year to guide, monitor and review implementation of the DWCP.

The National Steering Committee will also play a key role in overseeing the formulation of projects and in the approval of projects before their implementation. The Steering Committee has full responsibility for articulating priorities for implementation plans developed within the framework of the DWCP at the start of every biennium to ensure alignment of planning with the ILO's two year programming cycle.

5.2. Role of the ILO

The ILO Pretoria Office Director and DWCP Manager

The Director in the ILO Pretoria Country Office will assume overall responsibility for managing provision of support for the implementation of the DWCP in close consultation with the National Steering Committee. A dedicated DWCP Manager will be appointed to provide coordination and management support to the implementation of the DWCP on behalf of and reporting to the ILO Director and the National Steering Committee.

ILO Pretoria DWT, Regional Office for Africa and Technical Departments in Geneva

The ILO Pretoria Decent Work Team (DWT) will provide technical, advisory and capacity support to the constituents in the implementation of the DWCP. Development Cooperation projects developed to execute aspects of the DWCP will be managed by a National Project Coordinator who is a full time employee on an ILO contract either located in the ILO Pretoria Office or within a Government Structure. Each project is in turn technically supervised by the relevant Specialist from the ILO Pretoria DWT. The Specialist works hand in hand with the relevant technical department in Geneva. Where appropriate the ILO seeks collaboration with other UN agencies in the context of Delivering as One UN towards the achievement of the SDGs.

Project Advisory Committees

Project Advisory Committees may also be established to provide project specific technical guidance and support to Development Cooperation projects. The membership of each Project Advisory Committee will include relevant national project partners representing Government and the Social Partners, the relevant donor agency funding of the project, ILO Management, Technical Specialists and the National Project Coordinator.

5.3 Monitoring and Evaluation Plan

The DWCP Results Monitoring Plan, the DWCP Implementation Monitoring Plan and the DWCP results framework will provide guidance towards the monitoring of the DWCP implementation. At least one country programme review will be conducted during the programme cycle of the DWCP and this will be supplemented by independent evaluations conducted of Development Cooperation projects throughout the programme cycle of the DWCP.

Strengthening the monitoring and evaluation and results based management capacities of the constituents and ILO staff will be a priority of capacity development support under the DWCP. The generation and dissemination of regular labour market statistics with ILO support to facilitate monitoring and reporting on decent work related SDGs will be an important source of data against which DWCP implementation can be assessed and monitored. The ILO will report internally on implementation of the DWCP under its own requirements and procedures. The monitoring and evaluation of projects will feed into the monitoring and evaluation framework of the DWCP.

During the first 18 months of the DWCP implementation, missing baseline will be collected to feed into the monitoring and evaluation plan. Missing baseline will be conducted through research studies, surveys, key informant interviews as well as desk review research commissioned by the ILO to allow for the proper monitoring of DWCP interventions.

5.4 Risk analysis and management

Continued political stability in the country is extremely important to the successful implementation of the DWCP and with the presence of a vibrant and stable democracy in South Africa the risk is moderately low. To manage the risk for political instability the ILO will continue its on-going engagement and effective relationship with the constituents to promote and advocate for a culture of social dialogue.

Strong national ownership in the formulation, implementation and monitoring of the DWCP is also very critical for the successful achievement and sustainability of expected results. To ensure strong national ownership, particular attention will be drawn towards constituents' involvement in the formulation, implementation and monitoring of the DWCP throughout the programme cycle of the country programme.

The commitment by the Government of South Africa and the Social Partners to promote decent work agenda as evidenced by a strong policy environment for the promotion of decent employment augurs well for the successful implementation on the DWCP. However, persistent unemployment, sluggish growth and new economic shocks emanating either externally or domestically may derail progress towards expected results and shift national priorities away from the development of rights-based economic and social policies. To mitigate against this risk the ILO will leverage the influence of constituents to launch advocacy campaigns towards establishing consensus on the role of international labour standards in sustainable development.

The successful implementation of the DWCP will rest also among others on the availability of adequate funding which will necessitate increased capacity by the Office and of the constituents to mobilize resources. Against the backdrop of dwindling donor funding on account of South Africa's upper middle income status coupled with a constrained national fiscus, the level of risk for funds to be inadequate to support implementation of the DWCP is relatively high. The ILO Office will therefore, invest much time and effort in strengthening its own internal capacity and that of the constituents to explore other funding options including domestic funding, Public-Private Partnerships and even South-South Cooperation. The ILO will also intensify greater investment in UN collaborative programming to not only tap into the expertise of partner agencies in the pursuit of common development objectives but to also leverage resources through joint programmes.

5.5. Funding Plan

South Africa has been a recipient of a very modest amount of ODA³³ estimated at 0.3% of GDP in 2014, and has at the same time been a net provider of aid, a role that is likely to evolve further with the establishment of the South African Development Partnership Agency. As an upper middle income country, South Africa has recently witnessed a dwindling in ODA disbursements as donor interests give priority to low income countries and fragile states. The UK DFID, Sweden

³³ ODA – Official Development Assistance

and Italy have ended their development cooperation programmes with South Africa. While the European Union has been one of the South Africa's largest donors, it is set to reduce its ODA allocation for South Africa considerably after 2020³⁴.

Against the backdrop of declining ODA, it is becoming increasingly difficult to mobilize resources from South Africa's traditional donors for development cooperation to support implementation of the South Africa DWCP. This will therefore, necessitate that the ILO Office and the constituents explore other funding options to support implementation of the DWCP and to supplement ILO regular budget allocations. To this end the Office will invest in strengthening its own internal capacity and that of the constituents for domestic funding, public-private partnerships as well as South-South Cooperation. The Office will also develop joint proposals with the constituents to apply for funding from national funding agencies. The costing of the DWCP implementation plan will also factor in cost-sharing arrangements between the ILO and the constituents, in-kind contributions by the constituents and where possible, full national funding of DWCP activities. The involvement by the constituents in the conceptualization of projects and programmes that address national priorities will be critical towards ensuring demand driven projects that can will attract national funding such as the Government funded EPWP development cooperation projects, and funding support by the National Department of Social Development towards the design of a social security reform model. The Flemish Funded SEDF project and the NORAD-SWISS funded SCORE project offer good practice examples and lessons of how resources can be leveraged through partnerships facilitated between the private sector and government entities to offset budgetary constraints of Development Cooperation projects.

The mapping of potential donors and their development priorities constitutes an essential aspect of the funding plan. A preliminary scoping of potential funders from amongst South Africa's traditional partners shows that the German Development Cooperation is increasingly focused on climate change and the green economy. The next Country Strategy Paper by the Flemish Development Cooperation for South Africa also shows that the green economy and climate change will be priority. And therefore, DWCP activities pertaining to green jobs can potentially benefit from such funding sources.

Another significant avenue for mobilizing resources lies in the ILO's strategic partnerships with other UN agencies in pursuit of common development objectives, as well as the ILO's alliances and multi-stakeholder partnerships related to SDG 8 and other decent work related goals and targets.

An estimated amount of USD19, 637, 825 million will be required to support implementation of the DWCP. This figure may be adjusted during the programme cycle of the DWCP in response rand-dollar fluctuations in the exchange rate as well as other intervening variables.

5.6. Advocacy and Communication Plan

The ILO will work alongside Government and the Social Partners to raise public awareness and sensitization on the DWCP. The DWCP will be launched during the 105th Session of the ILC in Geneva at a signing ceremony held with media coverage. The ILO will work closely with Communications Focal Points in Government and the Social Partners to raise the visibility of the DWCP through regular postings on their respective websites, and newsletters of key events and activities of the DWCP. Calendar events that bear relevance to the Decent Work Agenda will also be used as platforms for engagement with the public and various sectors of society to give visibility to the DWCP and to communicate progress aspects of the DWCP that relate to the events that are being observed.

The ILO will continue to sensitize selected media professionals and journalists on the DWA and on the standards setting agenda of the ILO to improve media coverage and reporting on activities implemented within the framework of the DWCP.

³⁴ Mobilizing Resources: A strategy for Southern Africa (Jurgen Schwettman, September 2016)

Within the UN, the ILO will rely on an on-going partnership with the UN Communications Team to showcase the work of the ILO.

ANNEXES

- 1. DWCP Result Matrix**
- 2. DWCP Result Monitoring Plan**
- 3. DWCP Implementation Monitoring Plan**
- 4. List of Conventions Ratified**