

Jobs and houses

the Jobs Summit

The Jobs Summit started clearly and in tune, but faded away slowly as it got to the second part.

This is not a reference to the proceedings, but the singing of the national anthem. COSATU's Mbhazima Shilowa put in the first note (does this mean that the theory that labour is running the country is true?). As his microphone was on, everyone could hear him sing the first verse wonderfully. However, he then had to finish what he started. During the second verse, he became virtually inaudible. Luckily, this did not set the tone for the rest of the day.

The summit, held on 30 October, was the culmination of months of planning and negotiations. Each constituency - the community sector, labour, business and government - presented proposals on how South Africa could fight unemployment and create jobs. The proposals were debated at Nedlac. After compromises and changes, a final declaration was signed by each constituency. The negotiations carried on until the early hours of the morning of the summit.

The summit

The Minister of Trade and Industry, Alec Erwin, addressed the summit on behalf of the government. When former Minister of Labour Tito Mboweni moved to the Reserve Bank, Erwin took over the

There were differences of opinion amongst the constituencies before, during and, no doubt, after the Jobs Summit. The summit was, however, a serious attempt to find solutions to pressing economic problems. Bulletin staffer, Etienne Vlok attended the summit.

organising of the summit. He has been commended for the role he played in keeping the constituencies at the negotiating table and getting them to hammer out a declaration of agreements and programmes.

In his speech, Erwin noted that 'we have probed deep into the workings of this economy and asked questions of how it creates employment and found that it has a scant regard of the weak and marginalised'. He said the summit was really for the very poor, rural people, youth, women and people with disabilities. Although some reforms have increased the quality of life of South Africans, in the end 'it is the performance of the economy and its ability to generate employment' that will determine quality of life.

Erwin praised the other three constituencies for their willingness to negotiate and compromise. His message, which was echoed by many other speakers, was that jobs would not start raining down immediately after the summit. It will take time for the different programmes and plans of action to be implemented and to start creating jobs.

Business representative, Dorian Wharton-Hood, said that the Jobs Summit had 'succeeded in its aim'. For business, the most positive outcome of the summit was 'the forging of a foundation for new partnerships between stakeholders that has deepened understanding and started to frame common goals'. However, he criticised the final declaration for not paying enough attention to the 'rigidities' of the labour market legislation.

Then it was the turn of the community sector's Ruth Bengu. She urged the other constituencies to ensure that the post-summit process - the implementation and the review of programmes, and the review summit scheduled for next year and the sectoral summits - is successful. The community sector will play the role of watchdog to ensure that the marginalised receive skills and jobs. One suspects that this is the role they played throughout the negotiations leading up to the summit.

COSATU President John Gomomo, said the summit was initially in danger of becoming a 'labour market flexibility summit'. Labour was disappointed that no agreement could be reached on a moratorium on all retrenchments and a basic income grant for the unemployed. However, it still signed the declaration.

Shilowa outlined labour's proposal for a 'one-day output for jobs' programme. He asked all South Africans - from CEOs to workers - to donate a day's wages to job creation. This money will be paid into a fund set up by labour. Organised labour

has earmarked 3 March 1999 as the day on which all workers will make their contribution. The other constituencies have given their backing to this proposal.

Commissions

The summit then moved into six different commissions:

- realising human potential
- special employment programmes
- infrastructure and housing
- integrated provincial projects
- trade and industry
- tourism.

In each commission, report backs were given on the most important programmes and decisions.

Infrastructure and housing

The commission started with reports from the departments of Water Affairs and Forestry, Provincial Affairs and Constitutional Development, Public Enterprises and Housing.

Some departments disappointed, as they only reported on the work they had done in the past year. There was no mention of the impact of the summit on their departments. They later explained that time did not allow the negotiators to focus on all departments. They decided to focus on housing, as it could be a large employment creator.

Housing project

The Department of Housing presented the housing project. The project aims to increase the rate of housing delivery and to provide jobs. Andre Lamprecht of business remarked that the housing project will pull the other government departments in. When houses are built water and electricity need to be supplied and roads need to be built.

Many of the programmes included in the summit declaration had existed before

the summit. An exception is the National Presidential Lead Project (NPLP) on housing. Renée Grawitsky of *Business Day* describes it as a clear shift in policy. According to the declaration it 'aims to pilot affordable mass housing delivery'. This project, together with tourism and small business development, are the most important generators of employment.

Mpumi Nxumalo of the Department of Housing admits that there is currently a lag in the delivery of houses compared with other infrastructure. The Department hopes that this project will not only create jobs, but will also increase the speed of delivery.

The NPLP aims to build between 50 000 and 150 000 houses for low-income families before 2001. The actual number of houses built will depend on the finances available. Approximately 75% of these houses will be permanent rental stock, while the rest will be privately owned through loans financed through the Gateway mechanism.

The declaration states that when the NPLP awards tenders it should include labour intensive constructive methods. The project should employ the most needy workers (women, youth and the disabled) within the specific communities. During the projects, training and skills development will take place to ensure that the workers in the projects can find jobs after its completion.

The declaration stipulates that workers that are currently 'under existing permanent collective bargaining agreements shall not have their job security, wages or labour standards jeopardised'. It does not mention the workers that the project will employ in the future.

The construction sector has a very bad reputation concerning labour standards and job security. Will the NPLP improve

Sigcau's slip

During the Department of Public Enterprises' briefing, Minister Stella Sigcau remarked that cheap electricity helped the mines survive. It only took Zwelinzima Vavi a second to pounce on this: 'That is why Eskom should stay with the government and not be privatised!' Sigcau had her hands full trying to undo what she had said.

standards, or will these be further compromised?

The declaration also calls for the project to establish residential areas with a mix of income groups. This will be done by building different units in the same area. This will ensure that economic development and job creation take place. The social partners want to ensure that at least 10% of the houses are built with physically disabled occupants in mind.

The declaration stipulates that most of the NPLP developments will be in Spatial Development Initiatives (SDIs). There will be at least four mass housing developments in SDIs.

The NPLP will be the responsibility of a public sector, non-profit, national agency. This will oversee the projects and determine how and by whom the rental units will be managed. This is especially important as collecting the rent of about 110 000 houses could be a problem. Nxumalo said that they must still research the management of the rental housing.

Finance

A question surrounding the housing project is how it will be financed. Nxumalo says that the NPLP will run on a non-profit basis and use state land where possible. It will also reduce costs through delivery at scale. The four social partners will jointly develop a financing mechanism. The government will



COSATU President John Gomomo addresses the summit.

contribute R750-million over the next two years. Business will contribute R1,3-billion to finance the rental stock and R500-million to finance private owners.

By 28 February 1999 the NPLP working group must submit a final proposal on outstanding issues regarding the project. Hopefully, building of new houses and employment of the unemployed will take place soon after that.

Excluded

Not everyone was happy with what was happening. Outside Gallagher Estate, where the summit was held, the United Democratic Movement (UDM) handed out pamphlets complaining about 'the partisan nature of the political component of the Jobs Summit'. They were unhappy that they had not been invited.

The Malamulela Social Movement for the Unemployed also held protests outside because they had been excluded.

Programmes

Aside from housing, the following programmes were agreed on:

- special employment programmes - Working for water, Land Care campaign, Clean and Green Cities campaign, Rural Water Supply and Sanitation and Community Public Works Programmes;
- integrated Provincial Projects in greater St Lucia, greater Algoa Bay and the Wild Coast;
- labour market - a social plan to deal with retrenchments which will be based on the Gold Summit Accord and a special focus on the youth, women and disabled;
- a 'Buy South Africa' campaign to promote local products;
- small business promotion through better access to finance;
- tourism - money will be allocated for a marketing campaign;
- strengthening of customs and excise

functions to stop illegal products entering South Africa;

- a review of trade policy at Nedlac.

Erwin said all these programmes can be funded within existing resources.

Evaluation

James Lamont of *Business Report* describes the Jobs Summit as a 'Christmas Day ceasefire...during a greater war over...economic policy'.

He urges the social partners to turn the ceasefire into lasting peace. Lamont feels that the summit gave the four social partners a safe opportunity to unify around uncontroversial issues such as youth employment and tourism promotion. He adds that it did not result in big-spending public works programmes. Instead the focus was on proposals and sources of funding that were in the pipeline before the summit. These have been talked about for a long time, but now they will be done.

Rencé Grawitsky points out that Erwin resolved the GEAR debate in the alliance and so the summit was not a pro- or anti-GEAR debate. However, there were some problems with the inclusion of a clause referring to GEAR in the summit declaration.

The night before the summit, many hours were spent debating this clause. In the end, the clause noted that GEAR's targets will need to be adjusted. It went on to state, however, that this would be done on the context of 'retaining the coherence and strength of our policy (GEAR)'. COSATU felt that this could give the impression that they endorsed GEAR. In the end, they signed the declaration with the clause in it, but Gomomo voiced their unhappiness with this.

Grawitsky feels that the programmes in the final declaration are 'an attempt to ensure greater co-ordination between

government departments to fulfil service delivery commitments'. She argues that the consensus of the summit will be tested in the carrying out of programmes as many rely on private-public partnerships.

A 'serious programme'

Eddie Webster of the Sociology of Work Unit says that the main achievement of the summit was in 'getting the key social partners to start a serious problem-solving debate. It is the beginning of a process of trade-offs by the social partners'. Just as the political transition was negotiated, so must the economic one. The political transition also started off as a stalemate, but went forward through compromises.

Webster regards the fact that issues such as labour market flexibility and the macro-economic policy were kept off the table, as a shortcoming of the summit. However, he says that this was correct because it is important to rather find agreement. He was disappointed that so few captains of industry were there and by the relative marginal role of the Minister of Labour.

What South Africa needs now is a dramatic increase in jobs. This would have direct implications for those who are employed and indirectly solve other social problems. The Jobs Summit itself was successful. But that was the easy part. Now all the programmes need to be successfully implemented to ensure they impact on employment levels. Business, the community, labour and government have to continue co-operating to solve the problems of the marginalised of this country. ★

References

- Grawitsky, R. 1998. 'A foundation for job creation' *Business Day*, 2/11/98.
 Lamont, J. 1998. 'Safe Jobs Summit ceasefire...' *Business Report*, 21/1/98.