



**BUSA**  
BUSINESS UNITY SOUTH AFRICA

O N E V O I C E O F B U S I N E S S

# **BUSA's position on SA business**

**Cas Coovadia**

**Interim CEO of BUSA**

**28<sup>th</sup> August 2014**

# Strengthening our organisation

1

## Governance

- BUSA is now a Non Profit Company (NPC) instead of an Association with no legal standing. This NPC is governed by a Memorandum of Incorporation. The new registration number is 2014/042417/08.
- A new Board and Board Sub-Committees have been elected. The Board met 6 times since September 2013 until June 2014. The two Board Sub-Committees met 3 times each since September 2013.

2

## Operations

- A revised Business plan and 2014 sustainable funding model has been approved.
- The Business plan was further refined and a 6 months plan was developed with key deliverables in May 2014.
- The priorities detailed in the plan talked to the role BUSA should play in influencing Economic, Trade, Transformation and Social policies.

3

## Restructuring

- A revised and leaner organisation with the right skills has been structured.
- Appropriate Human Resources and Finance policies developed and implemented
- The control environment has been approved and staff were issued with new conditions of employment.
- Reduced our headcount from 22 employees to 13 employees in 2013
- Acting CEO in place

# Working with Government

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- High level engagement between business and government took place - seen as a catalyst to improving the relation between government and business, while working together to realise the National Development Plan (NDP) vision 2030.
- Five technical task teams were established - work on areas of critical importance for the achievement of the NDP vision 2030.
- Priority areas for tasks teams: Labour Relations; Education and Training; Inclusive Growth; Infrastructure; and Regulatory Environment.
- Albeit slow progress and uptake, most task teams have a draft plan of action.

# Concerns as Business

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- The SA economy is undergoing serious challenges. Growth is pedestrian, there have been recent downgrades and the protracted platinum strike, followed by the current metal industry strike all contribute to erosion of confidence.
- Business needs appropriate policies and consistency in application. Policies must protect investment and emphasise protection of property. Government must also ensure a consistent message along these lines.
- Another downgrade will put severe strain on the economy because of reduced investor confidence and increase in borrowing costs.

# Concerns as Business

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- The SONA creates an environment for the private sector to take the lead to engage on the modalities of economic growth. There is a growing view that economic growth that does not address inequality and improvement in general conditions of living. Government must follow up on the SONA by ensuring an environment that attracts local and global investment.
- BUSA is of the view that business and Government need to engage on the difficult issues inhibiting economic growth and investment, namely policy certainty and appropriateness, skills and education, inequality, service delivery and others. The engagement must be with a national interest agenda on the table.
- BUSA is concerned about the deterioration of property rights in SA – the current land reform proposals could inhibit investment and go contrary to the SONA where President said we should remove barriers to business growth.

# Concerns as Business – Fragile Labour Environment

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- The AMCU and NUMSA strikes are more complex than just aspects of labour law.
- Some areas of labour law are critical contributing factors, such as collective bargaining that ignores different dynamics in large and small businesses, the refusal to conduct secret ballots on strikes and offers and some others.
- Ongoing fracture of the labour movement and a shift to less sustainable demands. The settlement during the AMCU strike could create a situation where labour unions compete for membership on the basis of wage demands that cannot be met by firms under increasing pressure globally.
- The bottom line in all of this is that the three critical stakeholders, government, labour and business, must engage on a national interest agenda by getting out of our comfort zones and talking to our own agendas. Such engagement must look at the long-term sustainability of SA and must factor in compromises in the national interest.”

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# Working through Nedlac – Fragile Labour Environment

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*“The State of the Nation Address stated that the Deputy President would “convene a social partners dialogue, within the ambit of NEDLAC” on the following issues: impact of the untenable labour relations environment on the economy, violent nature and duration of the strikes and wage inequality.”*

An initiative to deal with some of these issues in a Labour Indaba had already commenced in Nedlac and a draft BUSA position paper in this regard has been mandated by members.

## **In Essence the following approach has been agreed upon:**

- Nedlac should take the leadership in this process to ensure that the social partners must have agreed at least a preliminary set of issues to discuss with the Deputy President
- The Deputy President process must be linked to the Labour Indaba process
- BUSA to establish a high level business delegation to prepare for the engagement supported by the technical team from SOCPOL already working on the Labour Indaba.
- Nominate five or six senior business people for this purpose.
- The Indaba can then be followed by a process to ensure that there is an agreed statement which can be launched at some suitable event.
- It is also proposed that mechanisms be explored to align the Labour Market issues being dealt with in the presidential process with the issues covered in the process outlined above

# Looking ahead

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- Business Unity is critical for effective engagement with Government – engagement will continue with the BBC and NAFCOC to further strengthen Business Unity
- The relevance and effectiveness of NEDLAC should be reviewed and understood. If Nedlac is the appropriate vehicle to drive constructive engagement between Business, Government and Labour – energy should be invested to get it right
- Working with Government to ensure that the Presidential Task teams gain traction to deliver meaningful results
- Implementation of the NDP is critical for the development of South Africa

Thank You