

Template for proposals for Jobs Summit

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1 Problem statement

Concerned about the trend of increasing retrenchments and the s189 consultation proceedings which often become highly adversarial, the parties fail to explore options that could avoid job losses or retention of jobs. The voluntary nature of the participation in a facilitated s189 consultation process by the parties which are locked in a positional bargaining and employment relationships characterized by mistrust is another impediment to the current job retention and saving strategy. The delays in processing Training Layoff Scheme has resulted in the low uptake of the scheme and the limiting terms and conditions of the TLS further aggravates the job losses that would have otherwise been saved or retained in the labour market. Lastly, we need to revise the concept of industry sustainability especially with regards to sectors that are facing challenges in respect of cheap Chinese or foreign imports.

The CCMA's holistic approach offer solutions to these challenges as it provides a comprehensive and inclusive participation by encouraging different specialized organisations to work together to enhance the impact of the job retention strategy. Fundamentals of the holistic approach are the thorough analysis of the rationale for retrenchment, full exploration of alternatives to retrenchment, partnering with other institutions and assistance in providing access to support mechanisms for retrenchees.

2 Jobs impact

The CCMA holistic approach to Job Saving was developed late 2008 and pioneered in the September 2009/10 financial year. This was at the time the labour market was experiencing the effects of the global financial crisis with the mining and agriculture sectors worst affected and an integrated approach was essential if massive job losses were to be avoided.

Between 1 March 2011 and 31 March 2018 almost 150 000 number of jobs were saved through CCMA facilitated s189A consultation. This demonstrates that the job retention strategy is effective and could yield better results if all employers who envisage to retrench are encouraged or compelled to have a facilitated consultation by skilful facilitators.

Since inception of the TLS in September 2009 up to 31 March 2018, 280 applications involving 37342 workers received by the CCMA despite the low take-up of the Scheme due to delays in facilitating full participation in the scheme. Only 10 840 workers have completed the training and most of those business are still in existence with improved productivity and increased workforce.

We need to strengthen the multi-stakeholder involvement and further develop an early warning system which detects sector trends through continuous investigation by the National Job saving Forum in order to proactively assist some sectors before the job losses take place.

We need to revitalise the TLS processes by authorising only one single body to manage the whole TLS value chain. The scope of TLS implementation must include cross-skilling in other areas to equip employees where retrenchments are inevitable.

The Productivity SA must be fully utilised to broaden its work through facilitating access to funds in order to assist the start-up of small businesses or assist cooperative establishment.

3 Theory of change

The CCMA initiated Job Saving strategy has proven to be an effective job saving mechanism when used in the appropriate circumstances and with all relevant stakeholders committed to play their part in the value chain. The reported results of the jobs saved and TLS attest to this; and TLS has proven to be particularly effective when combined with other initiatives to assist businesses and save jobs.

The Productivity SA must be the first avenue available for the businesses contemplating retrenchment or business distress before they issue a notice to retrench. The time Unemployment Insurance Fund (UIF) takes to issue the approval for participation in the TLS application must be significantly reduced and be aligned with the current 60 days of s189A consultation process. The training design and offering by SETA's must consider the future skills needed and engage in cross sector collaboration and funding of training.

4 Existing initiatives/experience

The CCMA between December 2017 and March 2018 coordinated efforts to enhance collaboration which led to a launch of a successful National Job Saving Forum. The National Job Saving Forum sought to consolidate the efforts and strategies that individual entities are engaged in to mitigate the effect of the recent credit downgrade of the country. It further seeks to develop strategies to minimize the effects of the looming "Fourth Industrial Revolution" and its impact on global and South African labour markets.

The partners that participated at the launch were the Productivity SA, UIF- Labour Activation Programmes, Economic Development Department, National Treasury- Transversal Contracting, Public Employment Services and Statistics SA. The partners are currently collaborating with each other though on a collegial basis.

At the inception of the TLS, it is reported that the application process was short and there are useful case studies that have proved the TLS mechanism to be highly effective when used as part of a holistic approach to mitigate business and worker distress. (See Colibri Case Study)

5 Constituency participation in implementation

Department of Labour

The Productivity SA;

UIF- Labour Activation Programmes,

The CCMA

Public Employment Services

Economic Development Department,

National Treasury- Transversal Contracting,

Department of Higher Education and Training and the SETA's;

Statistics SA.

Benefits

What social/economic groups would benefit from the proposal directly and indirectly? Please use the following table, and do not list more than 5 groups. Please describe the benefits as precisely as possible.

Group	Job creation	Other benefits	Time frame for success

6 Cost and potential sources of funding

What social/economic groups would bear the cost of implementing the proposal directly or indirectly? Please use the following table, and do not list more than 5 groups. Please describe the costs as precisely as possible. In the case of financial costs, who would pay them?

7 Risks

What are the main risks that would prevent the proposal from achieving the anticipated outcomes? Describe *at least two*.

1. The failure to reposition the concept of job saving and make it every stakeholders responsibility.

2. The lack of enabling instruments which provide direction on who is responsible for the delivery, would perpetuate the current arrangements when collaboration is on collegial basis.

8 Risk mitigation

The CCMA should be given full responsibility to manage the application and approval process of the TLS.

The Department of Labour should be charged with full responsibility of coordinating the National Job Saving Forum which will be responsible for the implementation of the Job Saving Strategy.

9 Additional comments

The Job Summit should adopt the National Job Saving Forum as a working committee to investigate some effects of import tariffs and tariff protection in order to save local industries. We have already lost jobs in our textile and clothing, poultry, glass etc.

The Training offered by SETA's must be examined and explored in order to consider other possible options of re-skilling workers on an-ongoing basis in anticipation of the looming Fourth Industrial Revolution. That examination must be informed by critical skills needed for the country as determined by the Department of Higher Education and Training, without necessarily going the TLS route.

Lastly, in particular with regard to mining, beneficiation has not taken off and seriously needs to be addressed.