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An assessment of Government, Business and Trade Unions perspectives of socio-economic inequality in South Africa: what lens are we looking through?

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Abstract

In South Africa social dialogue is the agreed process in which the exchanging of viewpoints to facilitate harmonious labour relations. Twenty years on and inequality remains a grave concern within the socio-economic context of South Africa. It is necessary to understand current context to determine where viewpoints amongst the social partners are aligned and where they diverge. It is clear that all agree that inequality needs to be addressed, minimum wages are not the point of dispute, and seemingly the process of collaboration needs to be investigated further. A review of the literature indicates that more are concerned around the level at which the national minimum wage should be set and the procedures for setting the minimum wage. Furthermore the literature on institutions that set minimum wages indicates that the institutional design is important to consider an understanding on the differences between these institutions lacks.

Following a case study approach, the purpose of this research was to assess how the perspectives of South African Government, Business and Trade Unions on addressing socio-economic inequality in South Africa impact social policy determination. In doing so, this research:

- explored the divergent perspectives of inequality from the viewpoints of government, organised business and organised labour in South Africa in determining the agreed approach to address socio-economic inequality in South Africa; and
- understand how these main groups collaborate to achieve the goal of developing a shared ‘lens’ through which to collectively address socio-economic inequality.

This research argues that a common lens through which to consider inequality in South Africa is lacking.

Key Words

Socio-economic inequality | Social Partners | Social Dialogue | South Africa

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Kelley Rowe

07 November 2016

Abbreviations

DOL	Department of Labour
ECC	Employment Conditions Commission
IOL	International Organisation of Labour
OECD	Organisation for Economic Co-operation and Development
TUAC	Trade Union Advisory Committee

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1. Chapter One: Introduction to the research problem

1.1 Introduction

The South African (SA) economy (post-apartheid) has achieved remarkable gains, including important structural adjustments that have produced an average annual economic growth rate of 3.2%. It appears to be characterised by growth-oriented cooperation between state and business (Seekings & Nattrass, 2011).

There are approximately 51.8 million people in South Africa (StatsSA, 2011), with an estimated 24.5% of the total population, unemployed. According to the data presented at the Organisation for Economic Co-operation and Development (OECD) groups 2016 Employment and labour Ministerial, South Africa has the highest unemployment rate out of all countries reviewed - the closest being Greece (24.7 %) and Spain (21.8%).

Arguably, SA is one of the most unequal countries in the world (Tregenna, 2011; Roberts, 2014; World Economic Forum, 2014; Benjamin & Cooper, 2016). Seekings & Nattrass (2011) posit that the growth path in SA is inegalitarian. The positive economic growth rate has failed to reduce unemployment and therefore has had little effective on poverty and inequality (Seekings & Nattrass, 2011).

For those that are employed, according to Business Tech (2014) there are “about 48 700 high-net worth individuals in South Africa with a combined net wealth of R2103 trillion; an average of R43.18 million each”. At the other end of the scale is a median gross monthly wage of R3000 per month. According to Stats SA (2015), SMEs (those employing below 50 employees) account for 65% of employment in SA. Approximately 10 million of the 15 million people employed work within this sector.

The disparities between employed and unemployed and the income inequality on a whole is problematic. According to the South African Department of Labour (2014), 88 strikes took place in the country in 2014, costing the economy ZAR6.1bn (USD4 57.01million). In comparison, the country recorded 114 strikes in 2013, but the overall impact was worse in 2014 as the total number of strike days increased from one to five in 2013, up to twenty in 2014. The most common strike demands in 2014 were for higher salaries, bonuses and compensations (Department of Labour, 2014).

During the State of the Nation Address (2014), it was clearly highlighted that the social partners needed to consider wage inequality as a means to address the labour market

unrest situation in South Africa. The problem is much deeper. “Labour market regulation in South Africa continues to face the same triad of issues that dominated the transition from apartheid to democracy: high levels of unemployment and inequality, exacerbated by skills shortage” (Benjamin & Cooper, 2016).

It is important to understand how Government, Business and Trade Unions in South Africa approach socio-economic inequality in South Africa: what lens they are looking through in addressing inequality and development through specific mechanisms in the country. One of the most important aspects in addressing inequality in societies is a minimum wage(s). The mechanisms used in societies are influenced greatly by the various forms of governance structures of nation’s vis-à-vis democracy, monarchy, authoritarian, oligarchical, and totalitarianism.

According to the International Labour Organisation (2013) as highlighted by SBP (2014) there are three main approaches towards adopting and designing a national minimum wage. Table 1 below, provides an overview of these three approaches as explained by SBP (2014).

Table 1: Different approaches to determining a National minimum wage

#	Description	Examples
1	Government or another political authority determines the level of the minimum wage following direct consultations with the representative’s organisations of employers and workers.	<ul style="list-style-type: none"> • Algeria • Benin • France • Madagascar • Spain
2	Government determines the minimum wage on the basis of recommendations made by a specialised tripartite body	<ul style="list-style-type: none"> • Low Pay Commission in the United Kingdom • Minimum Wage Council in the Republic of Korea
3	Minimum wage is determined on the basis of tripartite negotiation between the government and social partners	<ul style="list-style-type: none"> • Argentina • Ireland • Slovenia • South Africa

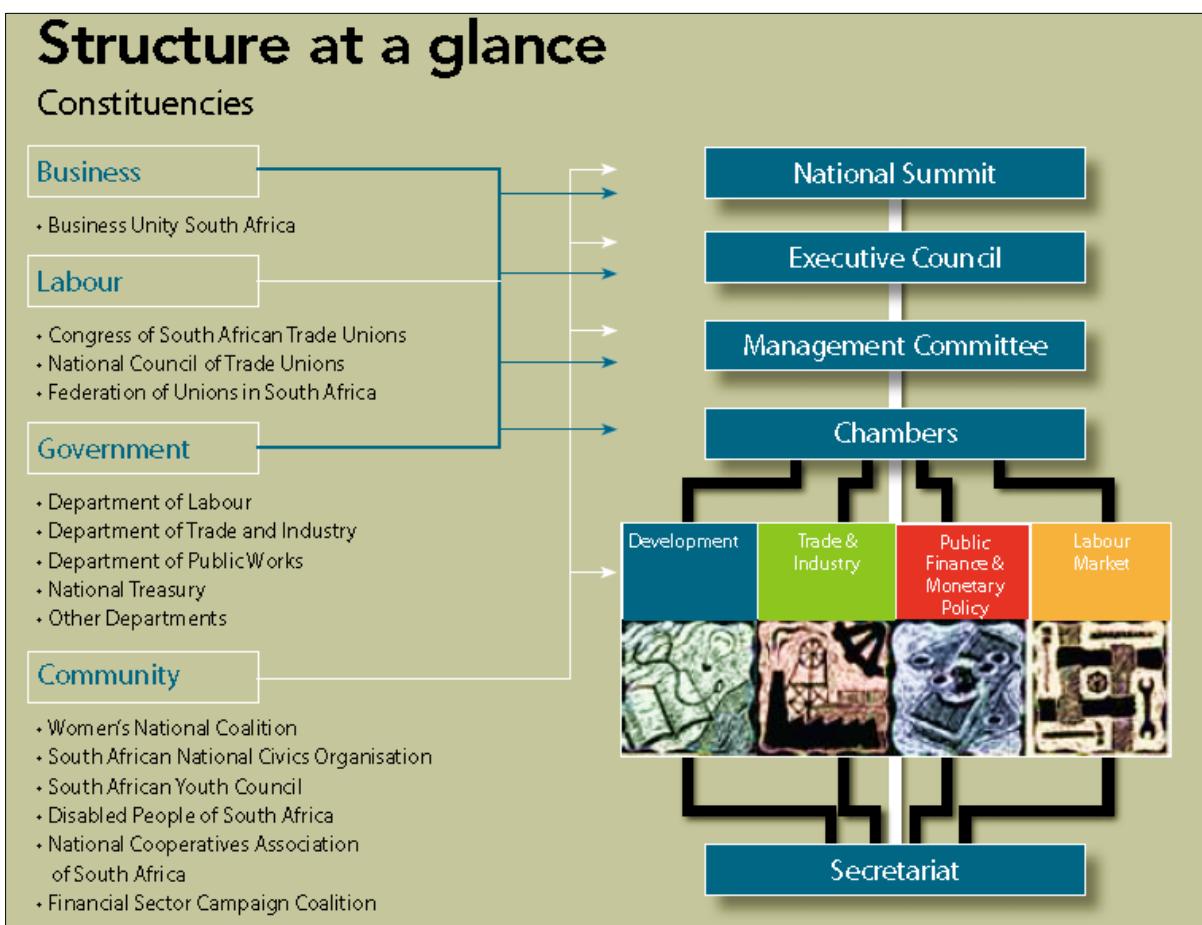
Source: Content sourced from SBP (2014). Table created by own author.

During the transition to democracy in South Africa a shift in the governance structure took place. The signing of the Laboria Minute in 1990 between the unions, employers and government in South Africa occurred. Here ‘it was agreed that no laws on the labour market issues would be passed without the agreement of all three social partners” (Benjamin & Cooper, 2016). This was the foundation upon which a tripartite social dialogue was set, representative of the third approach described in table 1 above. The ILO in 1919 facilitated the tripartite notion in collaboration between governments, workers and employers to improve labour laws and standards worldwide (International Labour Organisation, 2003). Effective social dialogue between government, employers and organised labour is required to secure the equal participation of all employees in decent and productive work. According to SBP (2014) the above illustrates the role that tripartite social dialogue plays in regulation of wage policy, especially the minimum wage. As such it was viewed that the tripartite consultation and wage bargaining coordination would foster better labour market performance (lower wage inequality and unemployment), improved stable share of wages in national income, and faster responses to economic shocks (SBP, 2014).

The National Economic Development and Labour Council commonly known as NEDLAC emerged during the early 1990s upon the establishment of the National Economic Forum which was merged with the existing National Manpower Commission. NEDLAC was established as a social dialogue institution in South Africa (Gostner & Joffe, 1997; Benjamin & Cooper, 2016). Benjamin & Cooper (2016) state that “in many ways the Laboria Minute was to pre-figure the political negotiations that led to South Africa’s first democratic elections in April 1994”. NEDLAC provides the tripartite framework for the facilitation of the social dialogue process as defined and guided by the ILO (Benjamin & Cooper, 2016).

NEDLAC consists of four chambers (See Figure 1), namely: 1.) Development Chamber, 2.) Trade and Industry Chamber, 3.) Public Finance and Monitoring Chamber, 4.) Labour Market Chamber. For most parts the tripartite agreement includes the social partners of organised labour, organised business and government whom sit in all four chambers. Community only sit within the Development Chamber, referred to as Tri-partite Plus.

Figure 1: Social partners within the NEDLAC process/structure



Source: NEDLAC Annual Report

The formation of NEDLAC was considered a key statutory body for the institutionalisation of policy-making in SA at the time. This moment in SA history was revolutionary to some degree but did not go without its challenges (Gostner & Joffe, 1997). As outlined in a study ‘Negotiating the future: labours role in NEDLAC’, Gostner & Joffe (1997), noted capacity to be a challenge for business, government and labour. Capacity challenges were two-fold: 1). Problems of capacity related to time available; and 2.) problems related to the technical expertise and negotiating ability necessary to deal with the issues that were on NEDLACs agenda at the time.

The problems of capacity related to both the amount of meetings generated by the NEDLAC process as well as the complexity of issues, many of which the labour movement had not needed to engage with until the formation of NEDLAC. Labour had the opportunity to be included in policy-making in SA, and yet, their ability to fully participate was challenging. “Martin Nicol, formerly labour's representative on the Trade and Industry Chamber, estimated that NEDLAC took up approximately 20% of his time...[another

respondent stated that] if he attended all NEDLAC-related meetings he would have to attend 48 meetings a year...workload added onto the unionists normal responsibilities...with result of them not being able to attend all NEDLAC-related meetings. The same applied to Business SA (BSA) at the time. All participation through the NEDLAC process was voluntary. As such, participation by the social partners in all meetings was criticised.

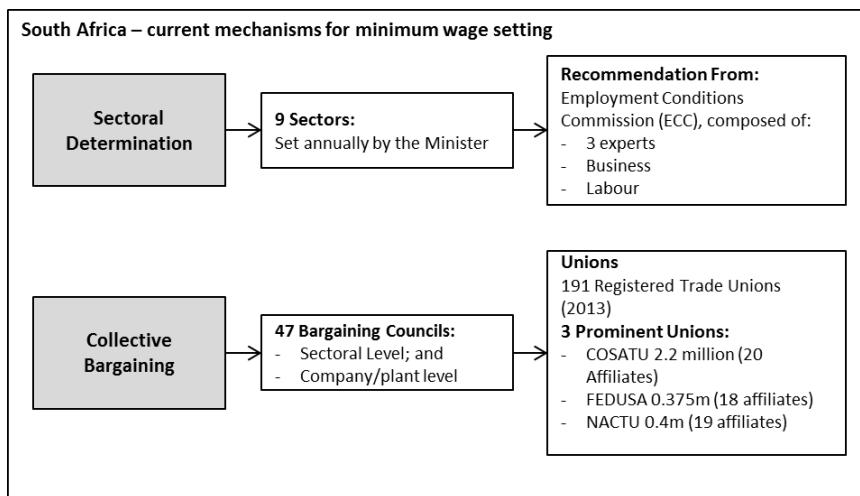
Twenty years on and South Africa continues to remain the world's most unequal society in the world. Whilst the social partners in South Africa are in agreement that inequality and poverty needs to be addressed; addressing the 'triple challenge' (inequality, poverty and unemployment) in South Africa as a collective has proved problematic (SBP, 2014; Seekings, 2016).

Whilst the debate on the impact of a national minimum wage in SA continues, in many ways it is considered one of the key mechanisms to address the triple challenge through reducing income inequality in South Africa.

Currently minimum wages are set through two main mechanisms, see Figure 2 below:

1. Sectoral minimum wages are recommended by the Employment Conditions Commission (ECC) and gazetted by the Minister of Labour in terms of the Basic Conditions of Employment Act. Currently wages are set in eleven sectors, including Domestic workers, Wholesale & retail, Farm workers, Forestry, Hospitality, Taxi, Contract Cleaning, Civil Engineering sector and Private security sector. Importantly, this mechanism serves to set minimum wages in sectors where workers are not organised into strong trade union (SBP, 2014). 'Statutory minimum wages in SA currently vary by sector, as well as by occupation and location (for example metro and non-metro regions which 'results in a total of more than 36 different minimum wages in the country' (SBP, 2014).
2. Collective agreements: achieved by means of the Minister of Labour extending collective agreements that were negotiated between employers and unions in bargaining councils established in terms of the Labour Relations Act (SBP, 2014).

Figure 2: Two main minimum wage setting mechanisms in SA



According to (Seekings & Nattrass, 2015), various positions amongst the social partners on minimum wage and the means to address inequality exist. Two main positions in the South African context exist:

1. Free Market/ Libertarian View

- From this perspective, any regulation of wages should be opposed;
- Wage regulation inhibits economic growth and job creation;
- Labour market should be left ‘free’ to determine wages through interaction of supply and demand; and
- Therefore this view does not support existing ways of setting a minimum wage and views the prospect of a national minimum wage negatively.

2. Coleman/COSATU view

- From this perspective the view is that the minimum wage must be imposed, at a level higher than the current sectoral minimum wages;
- The predominant view is that a higher minimum wage will reduce exploitation of lower-paid workers and generate job creation through consumption fuelled growth SBP (2014);
- According to SBP (2014), COSATU minimum wage position follows that of the dependency model, proportioned to average wage levels. Bhorat, Kanbur & Stanwix (2015) argue that the number of dependants are disproportionate and vary amongst various factors: i. Racial categories and ii.) Regional differences such as metro (urban) vs. non-metro (rural) regions. Bhorat et al. (2015) argue

that these factors are not included in the parameters set within the dependency model. This it is argued presents a limitation to this perspective as a result.

- In short, COSATU's position in supporting the national minimum wage is founded on the principle that aggregate demand will lead to economic growth, based primarily on Brazil successes, or parts thereof.

1.2 Research Purpose and Objectives

The purpose of this research was to assess how the perspectives of South African Government, Business and Trade Unions on addressing socio-economic inequality in South Africa impact social policy determination. In doing so, this research:

- explored the divergent perspectives of inequality from the viewpoints of government, organised business and organised labour in South Africa in determining the agreed approach to address socio-economic inequality in South Africa; and
- understand how these main groups collaborate to achieve the goal of developing a shared 'lens' through which to collectively address socio-economic inequality.

1.3 Research Motivation

In South Africa social dialogue is the agreed process in which the exchanging of viewpoints to facilitate harmonious labour relations. Twenty years on and inequality remains a grave concern within the socio-economic context of SA. It is necessary to understand current context to determine where viewpoints amongst the social partners are aligned and where they diverge. It is clear that all agree that inequality needs to be addressed, minimum wages are not the point of dispute, and seemingly the process of collaboration needs to be investigated further.

According to Bhorat et al. (2015), there is a large field of empirical work completed on minimum wages within the SA context. Seekings (2016) explains that there is a growing literature on the institutions that set minimum wages points to the importance of institutional design, but lacks empirical studies of how and why institutions work in different ways.

There is a need for an in-depth assessment of the approach of social partners to addressing inequality, poverty and unemployment in South Africa. Determining a national minimum wage and the mechanism for setting such a minimum wage play an important

role in shaping the wage structure amongst the lowest paid. The proposed national minimum wage structure presents further complexities to the Social Partners i.e Government, Labour and Business. Seekings & Nattrass (2015) argue that the most contributions towards the national minimum wage debate generate “more heat than light”. In many instances a misrepresentation of the difficult choices facing policy-makers concerned with poverty and inequality occurs. In short, more are concerned around the level at which the national minimum wage should be set and the procedures for setting the minimum wage (phased in approach). This research argues that a common lens through which to consider inequality in South Africa is lacking.

The interlinkages and interactions within the structures of collective bargaining and the interests and actions of social partners such as unions, government, and employers in South Africa are significant and complex. It is apparent that a large disconnect between the social partners exists – each is built on divergent economic and philosophical positions, and yet these complex trajectories amongst the social partners are being reconciled as a ‘collective’ to address the crisis situation facing South Africa. To what extent are the processes of social dialogue incorporated and remain divergent in the national minimum wage-setting?

Work place relations are turbulent arising from conflictual situations in South Africa. The socio-economic fibre within South Africa is weak. Intergovernmental and inter-union relationships are strained. Furthermore the socio-economic landscape is perplexed. The lack of a stable and consistent leadership within and amongst the social partners is resulting in a future that is not clear. The National Development Plan (NDP) which was established to provide clear goals and objectives to the development of South Africa is failing to be realised.

In South Africa social dialogue is the agreed process in which the exchanging of viewpoints to facilitate harmonious labour relations. Twenty years on and inequality remains a grave concern within the socio-economic context of South Africa. Whilst the social partners all agree that the high inequality, poverty and unemployment levels need to be addressed, the point of consensus has proved extremely challenging.

Currently South Africa does not have a national minimum wage rate. Following the State of the Nation address in June 2014, the Deputy President of South Africa having engaged with the social partners appointed a Committee of Principles to address the issue of inequality through the establishment of a national minimum wage. Whilst all social

partners are in agreement that inequality needs to be addressed, there is a lack of consensus amongst the social partners on the minimum wage rate.

Current dialogue around the national minimum wage has been taking place and the constituencies are yet to agree on the actual value to which the national minimum wage must be pegged. For some the minimum wage is an opportunity to address the racial wage gaps due to racial social structures that were enforced under the Apartheid regime. At the 12th National Congress for COSATU a minimum wage between R 4500 and R 5500 was proposed. In a recent report published by the WITS National Minimum Wage Research Initiative, a minimum wage rate of R 3 500 and R 4 600 is recommended. It is further proposed that the minimum wage floor would increase incrementally over the next five years to an average of R 3 900 and R 5100 (Isaacs, 2016). Business supports the need for a minimum wage system but is directly concerned that an increase in the national minimum wage would result in job displacements across various industries in South Africa.

According to Bhorat et al. (2015) a large field of empirical work completed on minimum wages within the South African context exists. In summary whilst the social partners are in agreement that the levels of inequality in South Africa are too high, the appropriate means to address this are contested. It is therefore necessary to understand the current context to determine where viewpoints amongst the social partners are aligned and where they diverge on this matter.

The interlinkages and interactions within the structures of collective bargaining and the interests and actions of social partners such as unions, government, and employers in South Africa are significant and complex. It is apparent that a large disconnect between the social partners exists – each is built on divergent economic and philosophical positions, and yet these complex trajectories amongst the social partners are being reconciled as a ‘collective’ to address the crisis situation facing South Africa. Seekings (2016) explains that “there is a growing literature on the institutions that set minimum wages points to the importance of institutional design, but lacks empirical studies of how and why institutions work in different ways”.

It is not clear to what extent the processes of social dialogue incorporated amongst the social partners in South Africa are divergent. This research draws on the existing literature through a case study approach to conduct an in-depth assessment of the

approach of social partners to addressing inequality, poverty and unemployment in South Africa.

2. Chapter Two: Literature Review

2.1 Introduction

This research paper assessed the divergent views of the various social partners' impact on social policy in determining the desired approach to address inequality in South Africa. The divergent perspectives are considered within the context of social dialogue and the different perspectives in addressing the inequality in South Africa. This section first outlines the leading positions in the research that addresses inequality, poverty and unemployment literature related to inequality. This is then followed by three predominant theoretical paradigms developed to explain labour markets, vis-à-vis Neo-Classical, Marxist and Institutionalist paradigms. The literature that explains the changing role of social institutions and in particular the process of social dialogue is unpacked.

2.2 Inequality

Inequality is a multi-dimensional issue that can only be addressed effectively if its different facets and root causes are well understood (Medgyesi, 2013; Roberts, 2014). The literature on inequality is vast and varies. In most instances, inequality is observed at main three levels:

- I. Global inequality referring to inequality between individuals irrespective of their nationality (Medgyesi, 2013; Andersen & Curtis, 2015)
- II. Inequality between countries on differences in means of income across different countries (Papuc, 2009); and
- III. Inequality within countries, which considers the micro level reasons to measure and explain inequality. Usually the Gini-coefficient approach is used to measure this (Damiani, Hölscher, & Pompei, 2011; Pignataro, 2012).

A review of the literature in inequality suggests that the views of inequality and factors contributing to inequality and effects on socio-economic development have shifted over time. In a study conducted by Cornia & Martorano (2012) significant changes in income inequality have taken place over the last 30 years - "the analyses of the 1950s, 1960s and 1970s focused on the structural determinants of inequality such as land concentration, inequality in education and the urban bias of public policy". Their main findings suggest that whilst inequality rose in the majority of countries [analysed in their research] during the 1980s and 1990s, it is the last decade that has been characterised by a bifurcation of inequality trends. Cornia & Martorano (2012) argue that the difference

[between the countries analysed] in inequality trends was most likely due to institutional factors and public policies.

There has been a rapid expansion over the last few decades of national and cross-national inquiry into attitudes about economic inequality and deprivation (Pignataro, 2012; Roberts, 2014; Andersen & Curtis, 2015; Kanbur et al. 2015). Roberts (2014) further explains that while similar evidence from developing and high-inequality societies has tended to lag behind in this field of endeavour, changes in the availability of national and cross-national data has been to open up new lines of inquiry.'

Andersen & Curtis (2015) argue that poverty excludes millions of citizens from the mainstream economy, depriving them of the opportunity to achieve their potential. The rise of inequality is said to have a range of detrimental social effects (Medgyesi, 2013). In addition to the risk of poverty and increased inequality in later generations, the rise of inequality tends to be associated with polarisation and fragmentation between communities, regions and social classes (Medgyesi, 2013), and can affect economic growth, weaken social cohesion and weaken trust in markets (potentially deterring investments) and institutions" (Medgyesi, 2013; Trade Union Advisory Committee, 2015).

Andersen & Curtis (2015) further argue that as income inequality rises, social unrest tends to become more prevalent, with society calling on more support from government to address the issue of income inequality. The Trade Union Advisory Committee (2015) to the OECD argued that the rising inequality is no longer just an ethical or normative issue – it has economic costs and restrains a broad-based and sustainable recovery.

2.2.1 Labour market perspectives

In order to understand the lens through which the various social partners view inequality, it is important to consider the various labour market theories. In this section, I consider three main perspectives: Neo-classical, Marxist and the institutionalist perspective.

a) Neo-classical paradigm

The Neo-classical paradigm, assumes that labour is an abstract commodity of the capitalist economy. Labour is no different from any other commodity that may be bought or sold in the market, and whose price is set by supply and demand factors for labour within the market. Its account of the nature of work has been placed within the abstract conceptualisation of the market economy.

In short, the neo-classical perspective considers the employment process as purely transactional. Individuals through the contractual basis are paid the value of their contributions they provide during the work process (Tilly & Tilly, 1998). Various theories try to expand the based model explained above, namely Human Capital Theory (Marshall, King & Briggs et al. (1980) and the theory of Compensating Differentials (Rosen, 1986). These theories suggest that in equilibrium employees need to be rewarded for their contributions during the productive process. Theorists such as Marshall et al. (1980), tend to suggest that the basic premise of the Human Capital Theory is a progression from education and training to higher productivity to higher earnings.

The human capital approach from the neoclassical perspective is used to explain the different individual earning profiles within labour markets (Becker, 1964). Further implications are that the minimum wage effects results in ‘non-wage benefits or training, or adjustments in composition of employment: (Broecke, Forti, & Vandeweyer, 2012).

The problem however is that the assumption of the traditional economic paradigm that labour is an abstract commodity of the capitalist economy has failed (Marshall et al., 1980). Inequality in some regions despite significant economic growth is prevalent. In a report by the Asian Development Bank as highlighted by the Trade Union Advisory Committee to the OECD (2015), they argued that if in the emerging Asian economies income distribution had not worsened (ie: increased inequality) over the past 20 years, the regions rapid growth would have lifted an additional 240 million people out of extreme poverty.

Arguably, the neo-classical perspective fails to provide the necessary critique to understand issues such as labour market inequality which continues to worsen over time despite increased demand for labour and economic growth in certain regions of the world. (Callaghan, 1997).

The use of conventional neo-classical theory is constraining in the study of labour market and labour market related phenomena as it can blur the understanding of what shapes and influences the broad areas within the world of work. The principal determinant in labour supply decisions, from this perspective, is seen to be wages, with workers moving in response to increased demand which is articulated through higher wages.

Other paradigms have been developed in an attempt to explain the differences within the labour market such as that of income inequality. Labour markets are in fact segmented, differentiated and increasingly unequal in outcome.

b) Marxist

Marxism on the other hand looks at the perspective of society as a whole but in the form of the class conscious collective (Tilly & Tilly, 1998). This perspective maintains that social production involves a complicated and interconnected division of labour among a wide variety of people who depend on one another for their survival and prosperity. Marxists argue that labour markets are a recent phenomenon displacing work organised on the basis of feudal ties, slavery and other bonds of obligation or direct coercion (Tilly & Tilly, 1998). The creation of labour markets depended not only on achieving a particular level of technological development but importantly, on the initial accumulation of wealth and resources.

Whilst this research does not position itself within the Marxist context, it is helpful to understand as it shows that labour markets are not reducible to market relationships alone. The Marxist framework of analysis encourages one to consider the historical elements that can provide an explanation for the current organisation of labour; however, like the neo-classical approach, it fails to help explain the significance of the changes occurring within labour markets.

c) Institutionalist

The institutionalists' on the other hand focus on group norms. The analysis of labour markets and employment systems relies on the existence of stable, slow-changing and fairly transparent institutions to provide the foundations for their analysis (Wootton, 1955). The work of social norms has been the foundation upon which institutionalist theorists try to explain how and why labour market structures are the way they are.

Institutional analysis dissolves the division between capitalist and working classes into a set of smaller relationships shaped by product demand conditions, technology, custom, and a variety of institutions. Institutionalists observed that wage-setting criteria include comparisons with other firms, internal equity and custom, seniority, productivity, and firm performance – but the particular combination and weights of these criteria vary greatly across industries, nations, and time periods.

Rather the institutionalists focus on the actual practice within which wage-setting occurs. They argue that workers in long-term jobs possess job-specific knowledge that is of value to their current employer. Further, they argue that the employee has little influence in the bargaining process over wages and other terms of employment with other employers.

2.2.2 Labour market perspectives: Minimum wage and inequality

According to the International Labour Organisation (2014), minimum wages are defined as the lowest remuneration level that the employer is required to pay wage earners for work performed during a given period of time, which cannot be reduced by collective agreement or individual contract.

As explained by Neumark & Wascher (2008), minimum wages were introduced to address the increasing spread of sweatshops within manufacturing industries. The sweatshops primarily employed women and youth, generally paying them substandard wages for work undertaken. In short, minimum wages were implemented to protect workers against unduly low pay (International Labour Organisation, 2003). Over a period of time minimum wage laws have been extended across industries and countries. Legislated minimum wages now apply to millions of workers around the world (Bhorat et al., 2015).

The benefits of minimum wage levels are widely debated (Neumark & Wascher, 2008; Damiani et al., 2011; Broecke et al., 2012; Bhorat et al., 2015; Seekings & Nattrass, 2015; Seekings, 2016).

Based on a qualitative and quantitative review of literature for 10 emerging countries, namely, Brazil, Chile, China, Colombia, India, Indonesia, Mexico, the Russian Federation, South African and Turkey, Broecke et al. (2012) findings suggests no real affect/change to overall household income as a result of minimum wage shifts, with little to no effect on the overall employment in emerging economies. From a sub-Saharan perspective, Bhorat et al. (2015) analysis indicates that most countries within the Sub-Saharan Africa have introduced a form of minimum wage legislation. Minimum wage legislation, in many cases, is applied to workers in specific industries or occupations where wage levels are not set by the state.

As indicated in the literature, minimum wage is considered one of the levers to address the challenges of income inequality. It is not as easily implemented as it seems (ILO,

2003). The different labour market perspectives and various power institutions at play within the labour market are factors that contribute to the wages levels set, processes within which wages are set and viewpoints of socio-economic situation (Bhorat et al., 2015).

The traditional economic perspective views inequality “as a stimulus for economic growth within a country (Guidetti & Rehbein, 2014; Andersen & Curtis, 2015). The free market perspective suggests that ‘any regulation of wages should be opposed’. This perspective views wage regulation as an inhibitor to economic growth and job creation where the ‘labour market should be left free to determine wages through the interaction of supply and demand. As such, this perspective views both the existing ways of setting minimum wages as bad and the prospect of national minimum wage as worse. (Seekings & Nattrass, 2015; Seekings, 2016).

The Trade Union Advisory Committee (TUAC) to the OECD (2015) holds an opposing view to the traditionalist view arguing that the decline in the wage share has had a negative impact on economic growth. OECD (2015) research has confirms that “higher inequality lowers economic growth”. In other words, it is argued that inequality does not foster economic growth nor do the “markets adjust such that the distribution of income occurs”. Unstable and unreliable labour markets do not contribute towards a positive economic growth trajectory, it “reduces the prospects for sustainable growth in the medium term.” (Trade Union Advisory Committee, 2015).

In addition, in the recent research completed by the Trade Union Advisory Committee (2015) findings also suggest that high inequality leads to low inter-generational mobility. The new evidence provided in the Trade Union Advisory Committee (2015) research report suggests it is “in particular inequality at the bottom of the distribution that has a particular adverse effect on growth....it is not just poverty (i.e. the incomes of the lowest 10% of the population) that inhibits growth. The recent studies undertaken by the TUAC (2015) are highly insightful to better understanding the impact that income distribution can have on growth, not only poverty that impacts on growth.

Labour markets have been viewed as the source of “both employment creation (and losses) and the distribution of earnings amongst the employed” (Tregenna, 2011). The Trade Union Advisory Committee (2015) argue that a number of factors are required for labour markets to enable growth and sustainable employment within an economy; and that poverty alleviation through anti-poverty programmes will not be enough to facilitate

growth (Trade Union Advisory Committee, 2015). In other words, the crux of the argument suggests that issues of inequality, poverty, minimum wage cannot be considered in isolation. Context matters. In 'Divided We Stand' (OECD, 2011), it is suggested that skill-based technological change, lack of access to quality education and weakening labour market institutions are all factors that contribute to the rise in inequality. For the most Cornia & Martorano (2012) work compliments Trade Union Advisory Committee (2015) findings which argues that argues that the difference [between the countries analysed] in inequality trends was most likely due to institutional factors and public policies.

In summary, the literature suggests that there has been a significant shift from the traditional perspective that inequality is necessary to stimulate growth. The view that inequality harms growth or improved equality can help sustain growth has become more widely held in recent years. In addition to wage levels, human capital and human capital development have been considered driving factor(s) to economic growth.

2.3 Addressing inequality in South Africa

Benjamin & Cooper (2016) provide a comprehensive review of South African labour legislations over the past twenty odd years. Benjamin & Cooper (2016) indicate that a crucial moment in South Africa's transition to democracy was the signing of the "Laboria Minute in 1990 between unions, employers and government where it was agreed that no laws on labour market issues would be passed without the agreement of all three social partners". Twenty years on, concerns are still raised as to whether South African inequality levels could be reduced to the 'normal' standards of inequality by international standards without increased demand for lower skilled labour (Tregenna, 2011).

Benjamin & Cooper (2016), examine the different phases of legislative development of labour law in post-apartheid SA, highlighting the positions articulated by the different social partners. In short, the paper gives an account of the development of South Africa's three principal labour law statutes from inception and the subsequent amendments introduced thereafter. These have been shaped by the views of the three social partners: government, organised business, and organised labour. Overall the debates presented in the paper show a rapidly decreasing level of consensus (post-apartheid) over a period of time from a legislative context. As argued this has resulted in an increasingly drawn out legislative development process in South Africa.

It was during “1919 when the ILO facilitated the tripartite notion in collaboration between governments, employees and employers to improve the labour legislations and standards around the world (International Labour Organisation, 2003). In South Africa, the changes embarked upon in 1990 led to the establishment of the National Economic Forum (NEF) and its merging with the National Manpower Commission (NMC) to create South Africa’s premier social dialogue institution, the National Economic Development and Labour Council (NEDLAC) (Gostner & Joffe, 1997; Benjamin & Cooper, 2016). Underpinned by Benjamin & Cooper (2016) as a crucial moment in South Africa, NEDLAC was structured to consist of four chambers (refer to figure 1 in chapter one), allowing for the tripartite agreement between the various social partners, namely government, organised business and organised labour.

The goal of the tripartite agreements was to ensure consensus was gained through effective social dialogue between government, organised business and organised labour. According to SBP (2014) the above illustrates the “role that tripartite social dialogue plays in regulation of wage policy, especially the minimum wage”. As such it was viewed that the tripartite consultation and wage bargaining coordination would “foster better labour market performance (lower wage inequality and unemployment), improved stable share of wages in national income, and faster responses to economic shocks” (SBP, 2014).

The formation of NEDLAC was considered a key statutory body for the institutionalisation of policy-making in South Africa at the time. This moment in South African history was revolutionary to some degree but did not go without its challenges (Gostner & Joffe, 1997). As outlined in a study ‘Negotiating the future: labours role in NEDLAC’, Gostner & Joffe (1997), noted capacity to be a challenge for business, government and labour. Capacity challenges were two-fold: 1). Problems of capacity related to time available; and 2.) problems related to the technical expertise and negotiating ability necessary to deal with the issues that were on NEDLACs agenda at the time.

The work completed by Gostner & Joffe (1997) is dated, but the findings are relevant to the context of analysis today. But initial findings indicate that problems of capacity related to both the amount of meetings generated by the NEDLAC process as well as the complexity of issues, many of which the labour movement had not needed to engage with until the formation of NEDLAC.

The paper presented by Gostner & Joffe (1997) argues that labour had the opportunity to be included in policy-making in SA, and yet, their ability to fully participate was

challenging: “*Martin Nicol, formerly labour's representative on the Trade and Industry Chamber, estimated that NEDLAC took up approximately 20% of his time...[another respondent stated that] if he attended all NEDLAC-related meetings he would have to attend 48 meetings a year...workload added onto the unionists normal responsibilities...with result of them not being able to attend all NEDLAC-related meetings. The same applied to Business SA (BSA) at the time. All participation through the NEDLAC process was voluntary*”. As such, participation by the social partners in all meetings was criticised.

Currently in South Africa, the high levels of disparities from a labour market perspective are proving problematic. Work place relations are turbulent arising from the conflictual situations at present. Increased industrial action experienced in SA, from 2013/2014 in particular clearly demonstrates the significant role the labour market plays in terms of providing a reliable livelihood platform within which members of society are able to work within; and where business is able to operate.

i. The National Development Plan: 2030

Determining the future of SA is challenging. The National Development Plan (NDP) is important to consider in this context. It is the roadmap developed by the government of SA in an attempt to provide the plan necessary to eradicate poverty and unemployment (amongst many other areas) over the next decade.

The National Development Plan (NDP) (2011) is a long term socio-economic development roadmap developed in response to the Diagnostic Report compiled by the National Planning Commission, released in June 2011, identifying SA achievements and shortfalls since 1994. The NDP (NDP, 2011) is an interesting socio-economic policy developed with the aims to eliminate poverty and reduce inequality in SA by 2030 – often criticised for being overzealous in its attempt to guide the different social partners on the future direction of SA. Whilst the objectives of the NDP (2011) are geared towards a broad range of social and economic objectives, three main priorities stand out (as listed in the NDP (2011) :

- Raising employment through faster economic growth;
- Improving the quality of education, skills development and innovation; and
- Building the capability of the state to play a developmental, transformative role.

Drawing on the NDP (2011), there are five central elements identified as key ingredients for economic growth in SA, tightly linked to the 11 million jobs that need to be created by 2030:

- Realising an environment for sustainable employment and inclusive economic growth;
- Promoting employment in labour-absorbing industries;
- Raising exports and competitiveness;
- Strengthening governments capacity to give leadership to economic development; and
- Mobilising all sectors of society around a national vision.

South Africa is a highly complex society. The NDP (2011) is loaded with a set socio-economic development objectives that can be described as quite ambitious given the 20 year timeframe (2010/11-2030) with little room for growth (Saville, 2015). For example, the NDP steps to eliminate poverty are based on an assumed annual economic growth rate of 5.4% when currently GDP growth is around 0.6 percent.

The NDP (2011) was presented against a backdrop with (un)certain financial constraints, a restrictive local labour market, lagging infrastructure development (necessary to achieve output requirements as per the NDP (2011) to drive economic growth and improve mobility), inconsistent quality of electricity supply, and uncertainty around the global average growth rates in years to come (Schwab et al, 2014). It is important to note that the 'global economic crisis has affected the continent of Africa, particularly resource-rich countries (like South Africa)...where the future growth path is uncertain' (NDP, 2011).

As stated by Saville (2015), the primary driver of the South African economy is the world economy. At present the world economy is averaging around 3.1 percent economic growth (World Bank, 2016). South Africa is only achieving 1.3 percent growth, and is predicted to grow at 0.8 percent towards the end of 2016. South Africa is largely reliant on export markets, particularly to the EU. Through the NDP, will South Africa be able to leap frog to achieve a 5.4% growth per annum, despite low (and slow) world economic growth performance levels at present?

Schwab et al. (2014) in the Global Competitiveness Report 2014-2015, highlight the most problematic factors for doing business in South Africa as: 'restrictive labour regulations', 'inadequately educated workforce', 'inefficient government bureaucracy', high levels of

'corruption', 'inadequate supply of infrastructure', and 'policy stability'. As a small open economy, it is highly debated (Parsons, 2013) whether South Africa has the ability to completely transform the country to levels of economic performance and achieve improved prosperity standards (measured through employment, income per capita, purchasing power and Gini coefficient).

Whilst the NDP (2011) has been described as being overly ambitious, improving a country by large standards in a short space of time is possible (Moyo, 2013; Saville, 2014). For example, the cases of Costa Rica, Estonia (Saville, 2014) and China (Moyo, 2013) prove differently.

Demographics of South Africa work favourably but the future supply of suitable individuals into the local labour market is compromised by the high levels of poorly educated youth and high levels of youth unemployed experienced (NDP, 2011; SBP, 2014). The South African economy has access to a large working-age population as identified in the NDP (2011), a major asset for South Africa but this needs to be managed effectively. The large number of youth aged 15-29 years is viewed as the dangerous 'youth bulge' – if opportunities are not created in the formal economy there are concerns for a 'lost generation' and increasing levels of social unrest.

In terms of the NDP (2011), the short-term goal is to create jobs for millions of unemployed South Africa's (building towards 2030), for many whom are young and low-skilled. The concern however, to achieve this, the NDP (2011) encourages wages to be set within the long-term competitiveness context (for firms) where a decent current standard of living can be achieved (today). The challenge however is that South Africa is faced with a number of challenges that affect the environment necessary to foster growth. For example: a.) increasing fixed costs such as property rentals, water and electricity; and b.) 'Business costs of crime and violence' (South Africa is currently ranked 133 out of 144) makes it difficult for existing firms to improve employment opportunities, to increase wages where firms battle to increase outputs (South Africa Pay and Productivity Index as per the Global Competitiveness Report is ranked 136 out of 144 countries).

As profitability's fall, the cycle of reduced wages (this can be achieved through reduced hours made available to work where output remains the same and reduced overtime hours to staff), reduced employment opportunities, eroding levels of competitiveness, and possible retrenchments become realities for some.

As introduced in Chapter 1, it is important to understand that there are different mechanisms in place to address inequality and development in societies, such as minimum wage(s). As the literature outlines, these mechanisms are greatly influenced by the various forms of governance structures of nations vis-à-vis democracy, monarchy, authoritarian, oligarchical, and totalitarianism (ILO, 2013; SBP, 2014). There are three main approaches towards adopting and designing a national minimum wage (ILO, 2013; SBP, 2014). These three approaches in summary are:

1. Government and another political authority decision-making driven process based on direct consultations with representatives organisations of employers and workers;
2. Government lead based on recommendations provided by a specialised tripartite body; and
3. Minimum wages determined on the basis of tripartite negotiations between government and its social partners.

Referring to the literature presented by Benjamin & Cooper (2016), the shifts in the labour law agreements (that no labour law would be passed without the agreement of all three social partners) provided the foundation upon which a tripartite social dialogue was set, representative of point three listed in the paragraph above.

2.4 Creating an improved reality through Social Dialogue

Social dialogue has featured prominently in the reform and reorganisation of labour market policies and institutions (Aleman, 2009; International Labour Organisation, 2003; (Benjamin & Cooper, 2016)

Social dialogue is generally described as a process that allows a number of different social partners (as identified at a country level) to engage with one another on matters related to the labour market, industry specific and workplace related matters (effected at an industry level). The social dialogue process is considered a useful process to address and resolve key socio-economic issues. (International Labour Organisation, 2003; Vieriu & Vieriu, 2011; International Labour Organisation, 2013).

Negotiating through the labour market requirements from the differing positions has not gone uncontested. The International Labour Organization (ILO) maintains that the social dialogue process has enabled new democracies to maintain social cohesion and made possible much needed economic reforms (ILO, 1997; Aleman, 2009).

A wide range of literature on social partners and the process of social dialogue exists (International Labour Organisation, 2003; Vieriu & Vieriu, 2011; International Labour Organisation, 2013; Andersen & Curtis, 2015; Soentken & Weishaupt, 2015). In most instances research conducted takes the form of the case study approach.

As Aleman (2009) argues the case study approach is useful in that it provides researchers the opportunity to understand areas of investigation at the granular level. The challenge however is that this does not allow for generalisation of findings to other contexts to be made. As the literature argues (Aleman, 2009), longitudinal studies prove challenging for researchers especially with cross-country analysis. In most cases the data sets available would have been collected at different period and/or the validity of the quantitative data available. The context within which the studies are completed and the governance structures within which the social partners and social partner institutions are analysed affects the approach and findings in these studies. In the ILO (2013) report it is indicated that there are a number of different approaches within which the social dialogue process takes place. These engagements could be one partner lead, for example government. It could involve a bipartite or tripartite dialogue process.

The benefits of the social dialogue process are highly debated. For example, South Africa is often referred to for the peak level dialogue among the various social partners (Aleman, 2009). Despite twenty-odd years of active engagement amongst the social partners, a range of issues and concerns exist, particularly the increasing inequality gap. The social pact created amongst the social partners raises the debate on the effectiveness of the social dialogue process. Aleman (2009) argues that the social dialogue process can advance the vested interests of the social partners. As argued by Aleman (2009) could compromise the interests of the workers.

This research paper argues that the literature on social dialogue fails to examine the lens through which the social partners view inequality and the immediate impact that this will have on the outcomes of the social dialogue process. Furthermore literature within the South Africa context, as Seekings (2016) argues whilst the literature on the institutions that set minimum wages indicates that the institutional design is important to consider, empirical studies on the structural differences between these institutions lacks.

2.5 Challenges to the social dialogue process

Aleman (2009) in an article titled ‘The Politics of Tripartite Cooperation in New Democracies: A Multi-level Analysis’, using the Boolean analysis, demonstrates that while left governments are typically associated with increased labour market regulation, they are not sufficient for social pacts to emerge in new democracies.

The challenge however is that power dynamics come into play. Arguably, the capture of the policy agenda by top income earners through their excessive domination of political funding in some countries is leading to a serious distortion of public policy and builds inequity into economic growth models (Medgyesi, 2013; TUAC, 2015; OECD, 2016). Political economy models argue that the most important effect of increasing inequalities in the political sphere is stronger demand for redistribution (Medgyesi, 2013). According to Andersen & Yaish (2012), growing evidence suggests that public opinion matters most. Here elected officials attempt to maximise their chances of re-election by implementing policies that reflect public opinion. Others argue differently - in the last two decades, practices of worker representation have undergone important changes. (Aleman, 2009). Redistribution policies “reflect compromises from class struggle...implying that an awareness of class-related issues such as income differences” have come to the fore (Andersen & Yaish, 2012).

Soentken & Weishaupt (2015) in a recent study ‘*When social partners unite – explaining continuity and change in Austrian and Dutch labour market governance*’, compare and contrast competing predictions of power-resource, employer-centered and social partnership approaches – identifying a key omitted variable that can explain the observed variations: the ability of social partners to write on reform positions. They demonstrate that ‘when social partners are divided, their collective power is reduced and partisan-based policy outcomes become more pronounced.’ In turn, when the social partners jointly favour a particular outcome, their collective power increases and they can override governmental reform plans, even if the government holds a large legislative majority’. (Soentken & Weishaupt, 2015)

The weakening of labour market institutions is one key cause of income inequality (TUAC, 2015). The research results “confirm that the decline in unionisation is strongly associated with the rise of income shares at the top” and goes on to say that this “explains about half of the 5 percentage point rise in the top 10 percent income share (TUAC, 2015).

When different unions affiliated with the governing party compete, though there may be considerable grass-roots unrest such as spontaneous protests and wildcat strikes, union centrals do not compete vigorously with one another to challenge the government (Aleman, 2009). This is characteristic of the current labour market negotiation process in South Africa at present. It is argued that when relationships between the different social partners are weak there, conflictual pattern of industrial relations exists (Aleman, 2009). Dialogue and consultation related to the labour market are generally considered to benefit labour market policy development and institutions in the developing world (ILO, 2004; Aleman, 2009).

2.6 Conclusion

In South Africa social dialogue is the agreed process in which the exchanging of viewpoints to facilitate harmonious labour relations. Twenty years on and inequality remains a grave concern within the socio-economic context of SA. It is necessary to understand current context to determine where viewpoints amongst the social partners are aligned and where they diverge. It is clear that all agree that inequality needs to be addressed, minimum wages are not the point of dispute, and seemingly the process of collaboration needs to be investigated further.

While the effect of minimum wages on employment has been heavily researched (Broecke et al., 2012; Kanbur et al., 2015) much less is known in the emerging economies. According to Bhorat et al. (2015), there is a large field of empirical work completed on minimum wages within the SA context. Seekings (2016) explains that there is a growing literature on the institutions that set minimum wages points to the importance of institutional design, but lacks empirical studies of how and why institutions work in different ways.

The interlinkages and interactions within the structures of collective bargaining and the interests and actions of social partners such as unions, government, and employers in South Africa are significant and complex. It is apparent that a large disconnect between the social partners exists – each is built on divergent economic and philosophical positions, and yet these complex trajectories amongst the social partners are being reconciled as a ‘collective’ to address the crisis situation facing South Africa. It is not clear to what extent the processes of social dialogue incorporated amongst the social partners is divergent.

It is evident that factors external to the structural design of the institutions themselves places the relationships in a precarious position. The extent to which this impacts on the social dialogue process has limited understanding.

3. Chapter Three: Research Question

3.1 Introduction

Determining how the divergent views of the social partners impact on social policy in determining the desired approach to address inequity in South Africa is complex. While the effect of minimum wages on employment has been heavily researched (Broecke et al., 2012; Bhorat et al., 2015) much less is known in the emerging economies.

Twenty years on and South Africa continues to remain the world's most unequal society in the world. Whilst the social partners in South Africa are in agreement that inequality and poverty needs to be addressed; addressing the 'triple challenge' (inequality, poverty and unemployment) in South Africa as a collective has proved problematic (SBP, 2014; Seekings, 2016). Concerns are still raised as to whether SA inequality levels could be reduced to the 'normal' standards of inequality by international standards without increased demand for lower skilled labour (Tregenna, 2011). A variety of factors are presented arguing reasons for the current socio-economic situation in South Africa.

According to Bhorat et al. (2015), there is a large field of empirical work completed on minimum wages within the SA context. Seekings (2016) explains that there is a growing literature on the institutions that set minimum wages points to the importance of institutional design, but lacks empirical studies of how and why institutions work in different ways. The TUAC (2015) argue that the weakening of labour market institutions is one key cause of income inequality. Soentken & Weishaupt (2015) on the other hand argue that when the social partners are divided, their collective power is reduced, and governments fail to seek the consent of all the social partners.

As such, four main questions were considered in this research, as listed below:

I. Research question 1

What are the perspectives from the viewpoints of government, business, civil society/trade union], what is the perspective of inequality in South Africa?

II. Research question 2

How do the divergent views of the social partners impact on social policy in determining the desired approach to address inequality in SA?

III. Research question 3

What is the agreed approach to address socio-economic inequality in South Africa?

IV. Research question 4

How do the social partners in South Africa collaborate to achieve the goal of developing a shared ‘lens’ through which to collectively address socio-economic inequality?

4. Chapter Four: Research Design and Methodology

4.1 Introduction

This chapter outlines the qualitative paradigm employed in this research, and is presented in five main sections. In the first section, the rational for the qualitative case study approach is explained as the most appropriate research design for this type of study. The second section describes and examines the methods used for gathering and analysing the data. The third section describes and examines the methods used for gathering and analysing the data. The fourth section highlights the ethical considerations that were taken into account. The last section provides an account of the constraints encountered during the study.

4.2 Motivation for Qualitative Case Study Research Approach

During the Labour Relations Indaba, November 2014 Declaration, five key challenges in the labour relations environment were identified. Wage inequality and low wages, and inadequate social protection were two of these key challenges identified. This research investigates the main overarching question: How do the divergent views of the social partners impact on social policy in determining the desired approach to address inequality in South Africa? To this end, this research:

- I. Explored the perspectives of inequality from the viewpoints of government, business, trade unions, and civil society in South Africa; in determining the agreed approach to address socio-economic inequality in South Africa; and
- II. Assessed how these main groups collaborate to achieve the goal of developing a shared ‘lens’ through which to collectively address socio-economic inequality.

In order to address the key question posed, a qualitative research approach was adopted for this study. McNabb (2002) defines research as gathering, processing and interpreting data and then communicating the results in a report that describes what was discovered from the research. The qualitative approach allows for a process of ‘inquiry to understanding a social or human problem, based on building a complex holistic picture, formed with words, reporting detailed views of informants, and is conducted in a natural setting’ (Saunders & Lewis, 2012).

It is within the framework of the qualitative approach, guided by the scope of this research that the case study method was employed. The case study approach allowed for the

research to gain in-depth insights into the perspectives the social partners consider socio-economic inequality in South Africa.

The importance of this design strategy rests on the fact that the case study method is ‘an intensive investigation of a single unit’ (Yin, 1994). Furthermore, it is suggested that the case study design is most appropriate when research is interested in a clear delineated entity (Babbie & Mouton, 2005).

It is important to note that the aim of the case study was not to make valid statistical inferences but rather to use the analysis of micro data to investigate, inform, expand and explain general theories (Yin, 1984; Maxwell, 1992). It allowed for the intensive examination of the interaction between multiple variables within the unit of study. This approach therefore allowed for investigations to take place allowing for in-depth descriptions where multiple perspectives needed to be taken into account.

4.3 Research Method

4.3.1 Secondary textual data

The secondary data for this study will made use of the main research and government reports related to the inequality, national minimum wage settings. The data was used to compliment the primary data gathered through the semi-structured interviews with identified key informants to this study.

i. Key areas explored in the secondary textual data sources:

- The current state of research on the wage inequality and unemployment in South Africa;
- Identification of the leading positions in the research that addresses inequality, poverty and unemployment;
- Identify and unpack the most widely accepted models and theories based on existing literature reviews already conducted; and
- Determine how these positions link to the theoretical framework of addressing income inequality, poverty and unemployment through local labour markets.

4.3.2 Primary data: Sampling Method and Data Collection

i. Population and Sampling method

Lead negotiators and representatives of the social partners in South Africa were approached to participate in this study. To this end, convenience sampling method was undertaken. Furthermore, the use of snowball sampling technique will be employed to identify subsequent members to formulate an initial representative list of this category of respondents.

ii. Data collection: Semi-structured interviews

Primary data for this research was gathered through the key informants: social partners in South Africa. In order to ensure the necessary qualitative data was gathered from the three respondent groups descriptive questions were devised. The descriptive questions helped to develop an in-depth understanding of how different cases presented could provide insight into the issue(s) discussed. In-depth semi-structured interviews were used during the interview process with each respondent.

Respondents were provided an informed consent form (Appendix A), which provided the respondents some level of trust in the research process being undertaken in this research. Initially interviews were scheduled for approximately one hour each. Follow up interviews were conducted where required, and agreed upon by the respondent. The goal was to ensure data saturation was reached.

The overall goal of this research was to gain in-depth insight and understanding on the key role players in South Africa and the divergent views in relation to addressing inequality in South Africa.

The data gathered during the in-depth interview process was captured manually. Audio recordings were not permitted by respondents in this study. This was due to the sensitive and unresolved nature of the national minimum wage floor within the context of addressing the urgent needs of inequality in South Africa and the involvement of the various respondents in the social dialogue process. Additional notes were taken during the interview process where key themes kept emerging amongst the respondents kept emerging. A basic principle of qualitative research is that data analysis can in fact be conducted during the data collection process (Coffey & Atkinson, 1996; Maxwell, 1992 & 2005). For this research it allowed for deeper discussion into the topic where further questions were raised to solicit deeper insights into the area under investigation.

4.4 Data Analysis: Conceptual Analysis

According to Maxwell (1992 & 2005), various methods for analysing the data gathered during the interview process can be undertaken. Strategies for qualitative analysis generally fall into three main clusters (Maxwell, 2005):

- i. Categorising strategies, for example coding and thematic analysis;
- ii. Connecting strategies whereby key themes through narrative analysis and/or individual case studies are conducted; and
- iii. Through memos and displays captured during the data collection process.

These strategies as argued by Maxwell (2005) should be combined to allow for greater analysis of the data to occur. This is not a standard requirement however. Maxwell (2005) argues impresses the importance of distinguishing the process of categorising the data collected for analysis into: organizational, substantive, and theoretical categories. Table 2 below provides a tabled summary of the three main categories to be considered in the data analysis process as presented by Maxwell (2005):

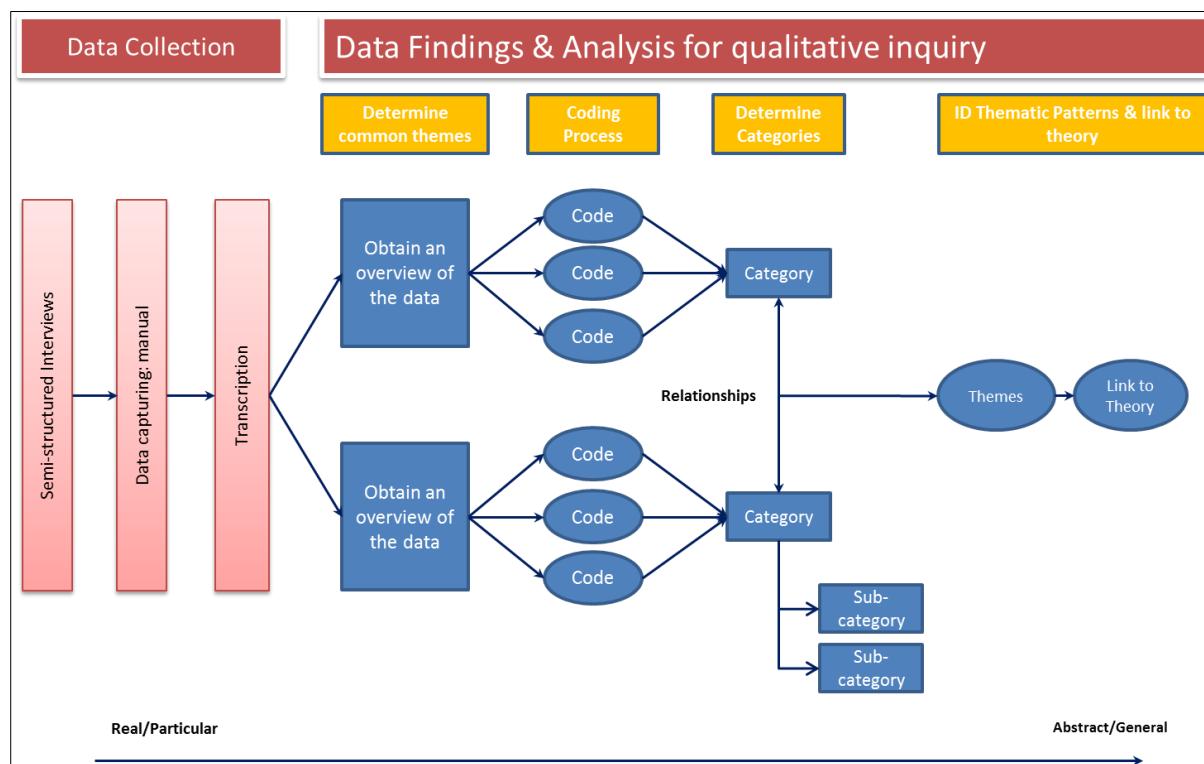
Table 2: Three main categories for data analysis

Categories	Description
Organisational Category	<ul style="list-style-type: none"> - Organisational categories: generally broad subjects/issues established prior to the interview process; - Organisational categories function primarily as “bins”/codes for sorting the data for further analysis; - Overall argument is that the high level organisational categories do not provide the opportunity for in-depth analysis to occur; - In-depth analysis as argued by Maxwell (2005) “requires substantive and/or theoretical categories...that provide insight” into the topic under investigation.
Substantive category	<ul style="list-style-type: none"> - Substantive categories are primarily descriptive in nature; - Maxwell (2005) argues that this does not inherently imply abstract theory; - Substantive categorisation of data can be used in developing a more general theory of the subject at hand; it does not depend on theory for analysis.
Theoretical category	<ul style="list-style-type: none"> - Theoretical categories, in contrast, place the coded data into a more general or abstract framework; - Categories derived from prior theory or from an inductively developed theory; - Represents the researcher’s concepts (“etic” categories), rather than denoting participants’ own concepts (“emic” concepts).

Content/information source: Maxwell (2005). Table presentation of information, own author

In order to conduct an analysis of the information captured during the interview process in this research, the hand written transcriptions from each interview were captured electronically. Referring to figure 3 below (an adaptation from Saldana (2009) and Maxwell (2005), the information gathered was grouped into key themes/categories gathered during the interview process. Following this, a cross-section of responses was conducted to determine common themes across the three respondent groups and categories of information that emerged (substantive categorisation). The data was then sorted into the relevant themes and tied back to the theory outlined in chapter 2 in order to provide analysis of data captured.

Figure 3: Data collection & coding process of qualitative inquiry process adopted for this study



Source: Adapted from Maxwell (2005) & Saldana (2009)

According to Mouton (2005) philosophical studies tend to be normative or value-laden in nature. The secondary textual data used in this study was analysed through conceptual analysis approach. Here the researcher is required to develop frameworks and arguments to bring structure to thoughts and concepts that are under study.

The conceptual approach includes philosophical methods used for the analysis of the meaning of words or concepts as well as the analysing of arguments in favour of or against a particular position (Mouton, 2001).

4.5 Ethical Considerations

Due to the current sensitivity around the topic of a national minimum wage structure in SA participants are referred to by the social partner bodies with which they are associated. In other words, reference to specific individuals has not been made if required by respondents. The reference to various associations and the inclusion of various associations within the approach was to encourage full participation of respondents identified for this research. To ensure confidentiality and anonymity of participants in this research, an informed consent form was made available prior to each in-depth interview. This form ensured that each respondent was:

- Made aware of the nature and purpose of this research;
- Informed of the researchers (and researchers supervisor) identity and association with GIBS as a researcher, providing a set of contact details;
- National minimum wage implementation in SA is currently under investigation, a highly contentious topic. Participants were informed that their participation is voluntary;
- Participants are free to withdraw from this research at any stage, without any negative or undesirable consequences to themselves;
- In order to ensure confidentiality, specific comments noted in the research report have not be attributed to specific participants;
- Information gathered during interviews is not referenced to participants if required;
- Prior to publishing, validation of all information from interviews was conducted; and finally
- Confidentiality is assured through ensuring a larger selection of participants in this research.

4.6 Research constraints encountered

The first limitation of this study relates to the current situation in South Africa is highly continuous and turbulent, namely ‘fees must fall’. Whilst key social partners identified to take part in this study acknowledged the relevance of this research topic many expressed

concern on the disclosure of their individual and institution identity. One responded stating that due to social media responses towards individuals and their organisations of employment, his organisation has now prevented all employees from taking part in research and/or providing commentary where information will end up in the public domain, despite the surety of confidentiality in participation being provided.

Those that participated indicate that their participation would need to be kept confidential and association to them and/or their organisations needed to be upheld. All explained that the issue of inequality and more specifically their involvement in the national minimum wage process was highly sensitive. At the time of the interviews being conducted local municipal elections were taking place in South Africa, the national minimum wage was still under discussions and the education environment in South Africa was becoming increasingly violent. As such access to key respondents proved challenging particularly during the peak of the ‘fees must fall’ violent situation in South Africa. A number of respondents involved in this research have been actively involved in a number of sessions tabled by government in an attempt to address the increasingly violent situation in South Africa.

Interestingly, representatives of organised business were more prepared to make themselves available than that of organised labour and government. This proved challenging to ensure adequate number of participants took part in this case study.

The triple challenges faced in South Africa are of grave concern. Inequality, poverty and unemployment in many instances were considered one of the same thing. Whilst this research considered the element of minimum wage as a platform within which to investigate the divergent views of the social partners on inequality in South Africa, all stated clearly that minimum wage, fees must fall, and social grants are the same thing.

The case study approach prevents findings to be generalised as there is a non-standardisation of measurement. An extensive data collection and analysis process for this particular research would have been time consuming.

Lastly, respondents on the whole appeared to be jaded. Whilst deep insight was provided the respondents it was imperative to ensure the elements of bias were prevent during the data collection and analysis of the findings for this research report.

4.7 Conclusion

Following an examination of the theoretical rationale for using such a methodology, the findings of this study will be presented in chapter five. The analysis of the data will be presented in chapter six thereafter.

5. Chapter Five: Case Study Findings

5.1 Introduction

This section begins with a detailed description of the social partner respondents which compromised of government, organised business and organised labour. Due to the scope of this study, and the structure of the NEDLAC operations as shown in figure 1 in chapter one the fourth social partner, ‘civil society’ was not included in the interview process. The second part of this section provides a diagrammatic view of the key themes and sub-categories of data collected in the research process. The bulk of this section focuses on the three main themes identified which are unpacked further in section 5.1.2 below. This section describes the feedback and key points discussed by each social partner grouping about the context within which inequality is addressed within South Africa, presented under the three main themes within this research. The case study approach allowed for a select number of respondents to be approached for this study. The intent was to ensure an adequate representation of the social partners and data saturation reached from each social partner perspective, providing a balanced perspective of the findings suggested in this research paper.

5.1.1 Description of respondents

As stated in chapter one, South Africa is arguably one of the most unequal countries in the world (Tregenna, 2011; Roberts, 2014; WEF, 2014). Seekings & Nattrass (2011) posit that the growth path in SA is inegalitarian. The positive economic growth rate has failed to reduce unemployment and therefore has had little effect on poverty and inequality (Seekings & Nattrass, 2011). Work place relations are turbulent arising from conflictual situations. Social dialogue is the preferred process in which the exchanging of viewpoints facilitates harmonious labour relations, a process that has been in place since the mid-1990s via NEDLAC.

Respondents that participated in this research hold key positions within each domain social partner domain vis-à-vis, Government, Business and Labour, some having spent decades engaging on the issues of inequality, poverty alleviation and unemployment in South Africa. Participants were provided a consent form outlining their participation in this study.

Due to the sensitivity of the issue related to inequality in South Africa and the concerns around sharing of information in a public platform with the number of socio-economic

issues currently under heavy debate in South Africa, all respondents indicated that participation would require non-disclosure of their identity (see Appendix A which provides respondents the option for participation to be confidential). As a result, participants have been allocated a descriptor as displayed in table 3 below. Whilst full disclosure of participant names and institutions are not listed in this research paper a list of the participants is available upon request from the researcher.

Whilst access to organised business was relatively easy as they made themselves available to participate in the research, availability of government and organised labour representatives was challenging primarily due to time constraints. This did impact on the total number of organised labour representatives with only one union willing to participate (COSATU). A total of eight respondents took part in this study.

Table 3: List of interviewees and interviewee roles

#	High Level Role Description	Allocated Descriptor
1	Government Official	Government official 1
2	Government Official	Government official 2
3	Government Official	Government official 3
4	Business Representative	Business representative 1
5	Business Representative	Business representative 2
6	Business Representative	Business representative 3
7	Business Representative	Business representative 4
8	Organised Labour Representative	Organised labour representative 1

5.1.2 Presentation of findings

The semi-structured questions used in the interviews were as follows:

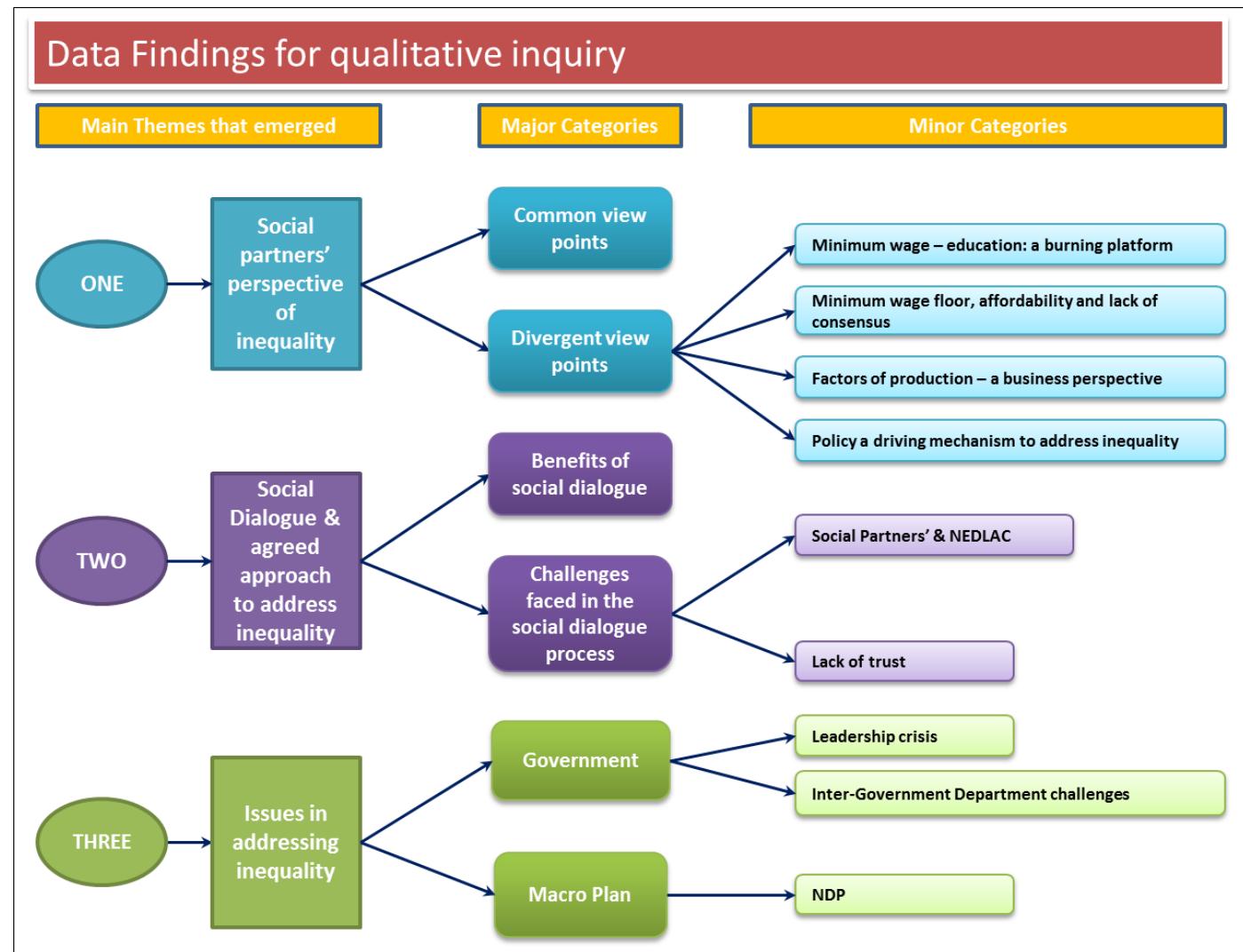
- I. From your social partner perspective [government, business, trade union] what are the perspectives of inequality in South Africa?
- II. How do the social partners' in South Africa collaborate to achieve the goal of developing a shared 'lens' through which to collectively address socio-economic inequality?

- III. What is the agreed approach to address socio-economic inequality in South Africa?
- IV. How do the divergent views of the social partners impact on social policy in determining the desired approach to address inequality in SA?

These questions were necessary to gather information to address the main overarching question in this research: How do the divergent views of the social partners impact on social policy in determining the desired approach to address inequality in South Africa?

As explained in chapter three, the data gathered during the semi-structured interviews was captured and reviewed where main themes could be identified. The thematic analysis approach (Saldana, 2009) was the primary organising method of data used to sort and make sense of the discussion(s) held with the various social partners. See figure 4 below which provides the key themes and sub-categories that emerged during the interview process:

Figure 4: Key themes and sub categories that emerged



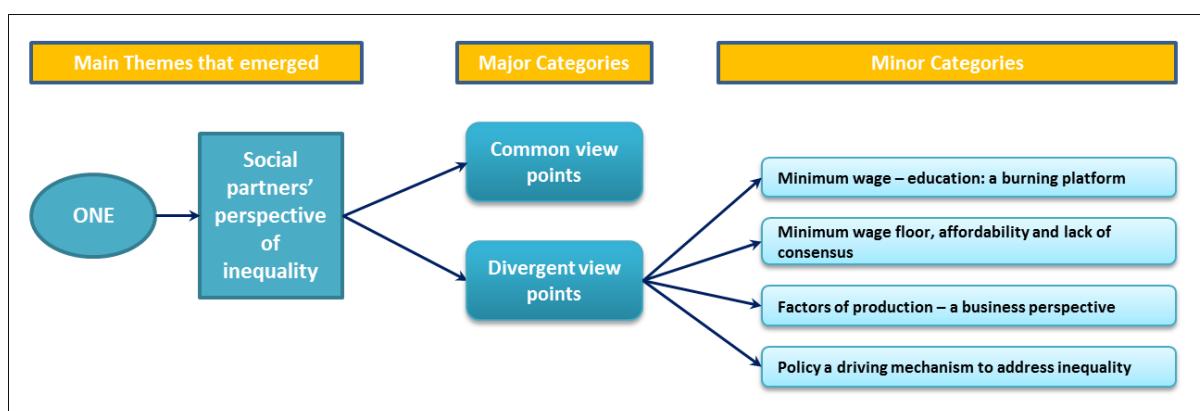
Source: Diagram above created by own author

5.2 Theme 1: Social partner perspectives of inequality in South Africa

A common thread through the various discussions of the respondents indicated inequality is a cause for grave concern. This is public knowledge. All respondents agreed that inequality in South Africa needed to be addressed more effectively. Majority were of the opinion that the issue of inequality in South Africa remains a challenge and more is needed to be done to address the socio-economic situation. As such, the social partners' perspectives of inequality in South Africa emerged as one of the main themes in this research. Responses in this section are presented two-fold (see figure 5 below):

- I. Common points of agreement in terms of inequality; and
- II. Points of divergence on inequality from a social partner.

Figure 5: Theme 1 – Social partners' perspective of inequality



Source: Diagram above created by own author

5.2.1 Commonality of inequality perspective

Comments of commonality indicated that all social partners are in agreement that inequality is a problem in South Africa. Most made reference to the fact that whilst inequality in South Africa is generally accepted as a systemic feature with strong ties to the old Apartheid regime primarily referring triple challenges in South Africa, inequality generally was not considered unique to South Africa. Key descriptions gathered reflected similarly across the social partners:

"There is no different lens on inequality. It is accepted as a systemic feature in society that is wide spread" (Labour 1).

[Now you will see] "increased strike action" (Business 2) [which] is indicative of the turbulent times currently being faced in South Africa at the moment (Government 1). "Whilst we agree that inequality is a problem in South Africa" (ALL), the problem is not unique" (Government 1).

"Inequality is a problem in South Africa...it has always been there" (Business 2)

"The problems within South Africa are systemic" (Business 1, Government 1)

"Previously [during Apartheid] racial inequality occurred...Income inequality was therefore affected largely by the racial-divide in South Africa" (Business 2)

Whilst there is consensus that inequality in South Africa is problematic amongst the social partners, this area of inquiry was necessary to discuss as part of the research process. As a means of introductory into the research topic itself, it provided both the researcher and the respondents a platform to engage with the topic of inequality, broadly. This helped to create fluidity and flow, enabling subsequent areas of discussion that needed to take place during the interview process. The sensitivity of the challenges related to the means within which inequality is currently being addressed in South Africa is highly contentious. It was therefore important to initiate the narrative with the respondents in a non-threatening and non-bias manner.

5.2.2 Points of divergence between the social partners

Whilst the social partners agree that inequality is a problem in South Africa, most of the respondents stated that the social partners diverge in relation to the 'how to' address inequality in South Africa. In most cases the points of divergence occurred at the detailed level:

"There is significant common ground [between the social partners] on the broad goals that need to be achieved in South Africa, but when you start to get into the detail you will see that there are significant gaps that exist." (Labour 1)

"There are definitely divergent views...[but] there are high-levels in terms of principals [of inequality – standard of living, a decent living wage, etc]. All social partners agree that the triple challenges need to be addressed...[But] the social partners do see it differently" (Business 4)

i. Minimum wage – education: a burning platform

National minimum wage discussions have been taking place since 2014. More recently, during they have been trying to find consensus on minimum wage which has been taking place during the peak protesting by South African students in the #feesmustfall situation (throughout 2016). Business primarily indicated that there is no real difference between minimum wage and the issues within education. This discussion was repeatedly mentioned as a perspective that was considered more pertinent to the current socio-economic situation in South Africa that needed to be addressed:

"Minimum wage, fees must fall – it is all the same thing" (Business 3)

“...the big debate in SA is the education landscape...The main problem is a weak education system. Basic education is not good enough. TVETs are not good. Big training of skills is gone. Education and training landscape is compromised by the minimum wage lever” (Business 1).

“While we support minimum wage you need to look at it in a different light. For large business they operate for stock exchange/shareholder reporting. The very same government will then say let’s introduce a national minimum wage. But would you want to have a 0% return on your investment as a shareholder? The same applies here [referring to the fact that whilst the idea of national minimum wage is good, the question that has yet to be answered and agreed upon, ‘what difference will it actually make?’ The respondent used the concept of shareholder value as a reference point to make his point clear to the researcher].” (Business 3).

ii. Minimum wage floor, affordability and lack of consensus

Interestingly, a national minimum wage is hotly debated in relation to the national minimum wage floor that needs to be agreed upon as evident in a number of research reports published and viewpoints experience in the media. During the interview process, both Government and business indicated that there are different ideologies and the reality is that economic activity is low at this stage for organised business to afford higher levels of the desired minimum wage set. Concerns around affordability by business within the context of stagnant economic growth and global economic downturn were argued, particularly for certain industries, such as Agricultural Sector.

Critical concerns relating to displacement of employees out of employment as a result on the national minimum wage floor were highlighted. Further displacement of people out of the labour market does not address the triple challenges facing South Africa, namely inequality, poverty and unemployment:

*“We look at every possible way to maximise the socio-economic situation”
(Government 2)*

“But the question is really what can the economy afford” (Government 3)

“There is a downside risk of a national minimum wage. Sectoral determinations are far more effective than having a national minimum wage” (Business 1)

“Sectoral determinations come out for the year, inflation plus 1.5%...managed to sit with the Labour Department, given the fact that business is not doing very well these days. It is a double edge sword” (Business 3)

“This is a continuous issue....we are sitting with a huge social problem” (Business 3).

“Can have a minimum wage for industry but the industry minimum wage is better than the national minimum wage that is being proposed” (Business 3).

iii. Factors of production – a business perspective

Business on the other hand were concerned with this approach – the general view was that increasing the basic minimum wage floor will not result in an increase in productivity to industry:

“All are in support of a basic minimum living wage but it does not increase productivity to industry” (Business 3).

“Minimum wage will not address the real problems in South Africa.” (Business 1)

Particularly the view was that overall it would not result in increased productivity at a macro level necessary to contribute significantly to increasing GDP in South Africa:

“GDP is 0%...[we are] expecting issues [of] ‘fees must fall’ [to result in] South Africa slumping into recession...Job growth will be in the public sector” (Business 4).

iv. Policy a driving mechanism to address inequality

With reference to minimum wage as a means to addressing inequality in South Africa, government's general response was that the correct policy mechanisms had been put in place.

We [generalising to Government as a whole] feel that where we differ [referring to the other social partners] is the point of policy formulation [when it comes to addressing inequality]”. (Government 1)

“We believe that one way we can add to addressing the problem is to ensure everything we do/contract is around job creation. We believe that by creating jobs, household income will increase, which will kick-start the process to addressing the areas of inequality, such as education, which will lead to job mobility, which will lead to increased appreciation of gender inequality.” (Government 2)

“Way we Government addressed inequality from our Department is directly through minimum wage, and soon the National Minimum wage....we are not saying that minimum wage will address inequality but we are trying. The intention is to break inequality” (Government 3)

Business argued that the focus on inequality was too narrow. Whilst it is important for the social partners to consider alleviation of inequality, poverty and unemployment in South Africa it was felt that South Africa also plays a role from an employment perspective to

individuals from neighbouring countries (primarily the SADC region). Organised business felt that initiatives to address overall employee wellness (despite the employee's citizenship) within the South African inequality context proved challenging:

"In our industry we have migrant workers. It is important for us to look after them too.

GDP contribution within SADC region is required" (Business 2).

The perspectives outlined in theme one above indicate clearly the areas of consensus and divergence amongst the social partners. Some perspectives provided are related directly to macro-economic factors whilst others are institutionally embedded, such as government's perspective that policy in South Africa is the key driving factor to addressing inequality. In the following section, responses that fall within theme two 'social dialogue and the agreed approach to addressing inequality in South Africa are presented.

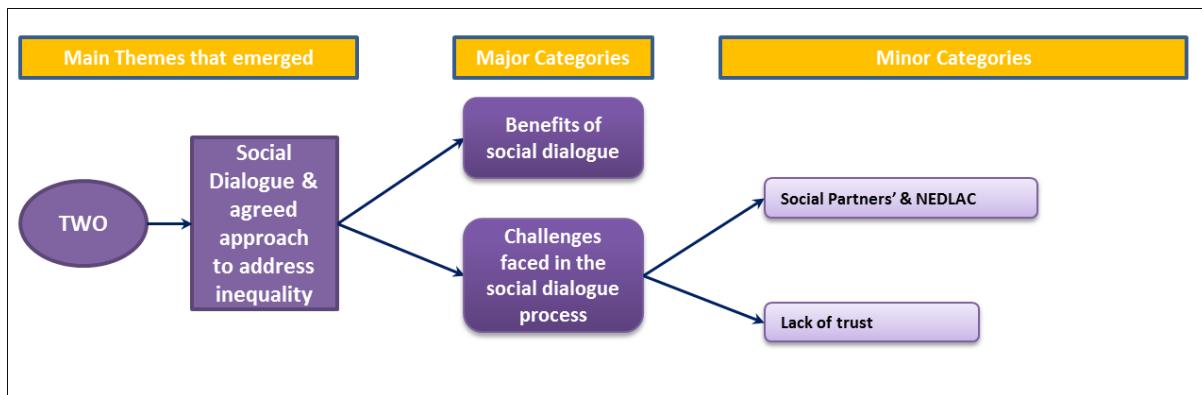
5.3 Theme Two: Social Dialogue and agreed approach to address inequality in SA

Importantly this research seeks to understand what the agreed approach to addressing socio-economic inequality in South Africa. It is important to note that the National Economic Development and Labour Council commonly known as NEDLAC emerged during the early 1990s upon the establishment of the National Economic Forum which was merged with the existing National Manpower Commission. It was during the transition to democracy in South Africa that a shift in the governance structures took place. It was during these concessions whereby it was signed and agreed upon that all labour market issues would be consulted and addressed by the three social partners. NEDLAC essentially provided the foundation upon which a tripartite social dialogue was set.

Responses in this section are presented two-fold (see figure 6 below):

- I. Benefits of social dialogue; and
- II. Challenges faced in the social dialogue process.

Figure 6: Theme Two- Social Dialogue and agreed approach to address inequality in South Africa



Source: Diagram created by own author

As stated by most respondents, a number of factors contributed significantly to the progress made in South Africa since 1994. The tripartite social dialogue process in South Africa to engage on issues pertaining directly to the labour market and its effectives within the inequality, poverty and unemployment context is hugely beneficial. A few participants made mention to the positive role that NEDLAC has played post-1994; others acknowledged the role that the unions have played in transformation South Africa in an attempt to address the former racial dispensations of the past. Upon reflection some do feel that ‘more’ could have been done during the ‘honeymoon’ period post-1994 to adequately address the issues we continue to face related to the socio-economic situation in South Africa.

This section provides narrative and discussions from the respondents that unpack viewpoints related to the social dialogue process in South Africa. As you will see both positive aspects and key challenges are explained.

5.3.1 Positive aspects of social dialogue

Overall there is strong sentiment towards the process of social dialogue as a platform to engage on issues related to inequality, poverty and unemployment. All respondents indicated that it is vitally important to ensure dialogue and consensus is achieved when addressing the issues at hand. The social dialogue process provides the social partners the opportunity to engage with one another.

All the social partners agreed that social dialogue is an important vehicle to address inequality as it “allows for collective engagement with stakeholders” (Business 2). Furthermore respondents indicated that in order for the social dialogue process to be

successful it is imperative for all social partners to be present during the dialogue process. Grave concerns were raised by both business and organised labour stating that “we are very proud of NEDLAC....but things have not been going very well over the past 2/3 years” (Business 4) and that “collaboration is weak” (Labour 1).

A number of key challenges related to the social dialogue process were raised. The sub-section below will outline the key points raised during the interviews.

5.3.2 Challenges faced in the social dialogue process

Whilst the social dialogue process presents significant opportunities for a collective engagement to address certain issues such as inequality, national minimum wage (and so forth), a number of key challenges were identified. This section will present the information in two key areas: i.) Social Partners and NEDLAC; and ii.) a lack of trust being another challenging factor.

i. Social Partners & NEDLAC

Generally whilst there is common consensus around the notion of inequality it was felt that the social partners do have different ideologies which affect their position amongst each other when addressing issues such as inequality. Considering the role that NEDLAC plays, this is an important area that required further exploration.

With regards to NEDLAC, NEDLAC is considered a well-established institution (Government 1). Government in particular explained that South Africa boasts to other international bodies its tripartite social dialogue process it undertakes. Decision-making is structured differently around the world. Not everyone follows a tripartite engagement process. The problem however as raised by Government 3 respondent is that we continue to face the fact that South Africa remains one of the most unequal countries in the world:

“As social dialogue, we boast about this at international conferences. But some countries that don't have social dialogue process still do better than us despite South Africa being a richer country than them. The levels of strikes we have, the high unemployment levels – because government needs to subject itself to social dialogue process it is difficult for government to make a decision and lead” (Government 3).

The social dialogue process has weakened according to some of the respondents. Furthermore, social dialogue it was argued is a compromised process if social partners engage in the social dialogue process with “rigid positions” (Business 4) formed prior to the actual dialogue process. “If there is no dialogue, then it becomes an argument...which is not productive. There is too much vested in this.” (Business 3).

It was stated that NEDLAC, it “is as strong as the social partners are and how effective [the] social dialogue process is....[the] constituencies are not as strong as 15-20 years ago...commitment is still there though” (Government 1).

ii. Lack of Trust

It was argued that “over the years we have allowed a split to grow between the social partners.” (Business 4) “Collaboration is weak” (Labour 1). It was not clear reasons for the split occurring. *“People don’t have confidence in the NEDLAC process. People talk, the aim is to get core consensus. But when social partners are not happy with the outcome, people walk out of the process because of divergent views”* (Government 3).

Labour 1 argued that “most Government departments treat this exercise as a tick box process. Government will state that they are negotiating, but they are not. I worked in the Parliamentary office for a long time; I know that they are not engaging properly.” Business constituencies are ‘fragmented’ and there is “no single business spokesperson” that represents organised business (Business 4). On the other hand, fractions within the union were acknowledged: *“Look, internally within the union we also have our own drama. There is always drama. But on the whole, issues would be resolved if everyone were committed to change [referring primarily to Government as a social partner participant].”* (Labour 1)

A government respondent argued that “[The social partners] come up with agreements and not all are present. Out there [media/public forums] they [one of the social partners] will then say something different and argue what has been agreed upon. People are not helping the process. Say one thing at NEDLAC and then another thing in a different platform. This is what I have noticed” (Government 3)

In one incident, a respondent stated that trust is often a difficult aspect to maintain. Whilst divergent perspectives exist and in some cases a lack of consensus on particular issues

occur, on the whole the social partners do intend to maintain sound representation of the collective process to society. An example provided:

“Government published findings of research conducted without going to the chamber first – this was not pleasant. The process of social dialogue has guided discussions well. Decisions were made and published before all stakeholders were engaged is not good. It does not build trust well” (Business 2)

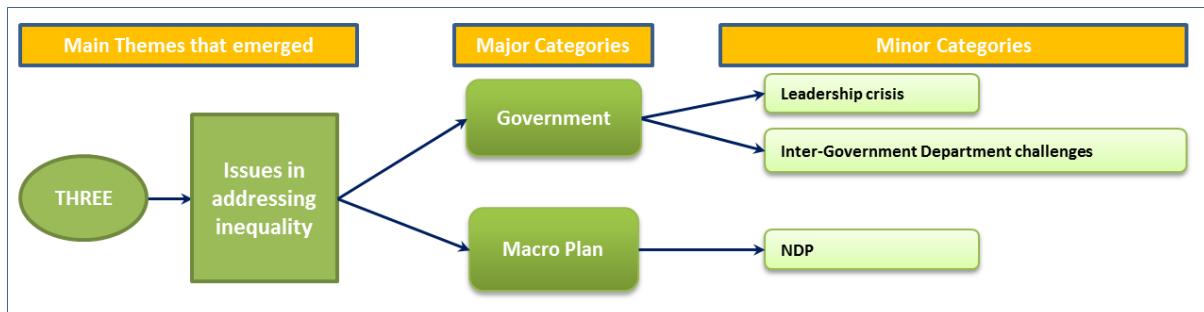
Another respondent indicated that there is “fragmented organisation leadership... break away groups occur.” (Business 4) *“There are very different interactions with the social partners” (Government 2). “[There are] Critical elements that need [referring to all social partners] to find common ground...crucial to have the discussions. What about inequality do we actually agree on? Difficult to address this...need to find ability to identify low lying fruit to build trust on.” (Business 4)*

5.4 Theme Three: Underlying problems in addressing inequality

Within the realm of the social partners addressing issues such as inequality, a number of underlying problems were outlined by the respondents across all social partners. In particular concerns were related to poor leadership and inter-Government department challenges, considered key factors that stifle the social dialogue process. Furthermore, a general sense of there being ‘no plan’ for the future (despite the NDP, 2011, as an example) was raised by the respondents.

This last section unpacks the third main theme ‘underlying problems in addressing inequality’ in South Africa (see figure 7 below).

Figure 7: Theme Three – Underlying problems in addressing inequality



Source: Diagram created by own author.

5.4.1 Government

i. Leadership crisis

The leadership cohort in South Africa was heavily criticised during the interviews, including responses from Government respondents. Overall leadership at the National level is considered to be in crisis. The heightened levels of social unrest (particularly the industrial strikes and currently at its peak, the #feesmustfall student protesting), and high levels of inequality, poverty and unemployment in South Africa are key factors that demonstrate where Government leadership is failing. For example, considering the current tertiary student protesting situation, it was noted that the President of South Africa has not been consistent with publicly addressing the students on the situation. Priorities from the National office are highly critiqued:

*"The President was recently seen at Miss Teen SA but he has yet to be seen addressing the current student protesting concerns taking place. Why can't we get business, unions, government and the students together to talk through the challenges? We are & *\$% in this country" (Labour 1).*

Furthermore, there is a perception that a “sense of urgency only occurs when things have the potential to collapse” (Government 2). This viewpoint was made as it was felt that Government themselves only start to mobilise to address challenges when there is a potential for ‘collapse’.

In addition, Government decision making process is argued as being “flawed” (Business 1). For example: *“Look at the LRA as an example. Amendments were made in 2015 which resulted in significant job loss in industry. Research conducted to inform this decision was weak...research to determine impact of decisions [post implementation] is inconsistent and weak. No one goes back to determine if the decision was good or bad”* (Business 1).

Mostly it was felt that *“a lot of political vested interest occurs ‘people will vote for us’ is the perception”* (Business 3). *“Government is the third element in terms of political agendas that need to be satisfied – community and the voters [priority areas for Government]. Promises are made and within the fiscal policy environment these need to be met. Government are short of funding and are not able to produce free education for the bottom. [We are] absolutely uncertain as to how to resolve the current situation”* (Business 4)

“Government are not in a good position. There are too many changes internal. Recently a new minister was appointed to the Department of Mineral and Energy

Affairs. Changes [were] communicated through the media occurred – there was no social dialogue. How are we supposed to create trust and collaborate if changes take place outside of the platforms created to ensure cohesion and collaboration is achieved between the different social partners?” (Business 2)

“We agree that social dialogue is the agreed approach, but there is a lack of trust, lack of political direction, weak national leadership. There is no plan” (Labour 1)

ii. Inter-Government challenges

A number of examples related to intergovernmental disparities were provided during the interview process. It is argued that these impacts negatively on the policy development process and affects the ability of the various constituencies to create collaboration and work cohesively to address certain challenges within South Africa. At the crux there is a notable disconnect between the various Departments. Below a few responses to provide detail of examples:

“Treasury and the Department of Social Development do not talk to one another. This is a big problem. This has been going on for the past 14 years now. It is causing problems” (Labour 1).

“Treasury is now split in government...the damage is done” (Business 4).

“Treasury and the Department of Labour are not aligned” (Business 1)

“Treasury and the Department of Home Affairs are not aligned” (Business 2).

“Government departments fight with each other now. Inter-government issues are a big challenge.” (Business 2)

In this research references were largely made to Treasury, Department of Labour, Department of Home Affairs, and the Department of Social Development. A number of respondents generally felt that the Departments were operating in isolation from another, influenced greatly by various power dynamics at play, creating heightened levels of frustration in relation to dealing with Government:

“Government institutions are generally weak” (Business 4).

“The problem is that we don’t fix the problems, and now we are dealing with real problems” (Labour 1).

“In most cases the Departments within government are politically influenced. If they don’t have the support, certain decisions are made, if elements that need to be implemented [political gain] then there are problems for those individuals” (Business 1).

“The wind will blow them – politicians have their own agendas. This delays the process” (Government 3).

“The last two years of engagement with Government have been frustrating. Let’s talk tomorrow they say, but they never do. It’s like kicking a can down the road” (Labour 1)

“Government has all the resources....but they just don’t seem to want to address the problems. We can fix the problems. We complicate things. It does not need to be this hard” (Labour 1)

Overall, it is felt that “there is no collaboration and cohesiveness. [There are] very split voices, and it is used [referring to the power dynamic within Government]... Government plays to fragmented voice of business and [the] mockery voice of trade unions” (Business 4).

5.4.2 Macro plan - NDP

Despite the majority of the criticisms levelled towards Government in relation to the institutional relationship to the socio-economic situation in South Africa, respondents on the whole generally felt that there is no direction set in South Africa. Some respondents felt that there was “*no clarity on the NDP*” (Labour 1). *Everything is dealt with in silos*” (Labour 1). *“There is some consensus that government tried to achieve the NDP goals too quickly – from a resource perspective, these goals are just too expensive to achieve in such a short space of time” (Government 2).*

“I don’t know anymore. The unions don’t have a plan. Government does not have a plan. Things take too long to go anywhere anymore....I’ve been in this job for the past 6 years, and we are still dealing with issues from four years ago” (Labour 1).

“Business says that the timing is all wrong. Business believed that it all happened too quickly which has resulted in the current unsettled situation” (Business 4).

The NDP is an important element to consider. It is the development plan that was put together for South Africa, requiring the social partners to engage in dialogue and decision making processes that will help for the majority of those goals stated in the NDP to be achieved. The view that no there is no plan and the fragmentation amongst the social partners exists is a concern.

In the following chapter, chapter 6, an analysis of the findings presented in chapter 5 will be provided directly linking key themes to the literature presented in chapter 2.

6. Chapter Six: Discussion of results

6.1 Introduction

The previous chapter presented the results gathered from the research process, in which four main questions related to the literature on inequality, social partners and social dialogue were answered. The data was collected through semi-structured interviews with participants from government, organised labour and organised business. As explained in chapter four and displayed in chapter 5, the data was organised into three key themes, each of which containing sub-categories.

This chapter will address the objectives of the research by discussing the research findings in relation to the literature review in chapter two. The structure of this chapter will follow the format of the key themes and findings presented in chapter five.

6.2 Theme 1: Social partner perspectives of inequality in South Africa

i. Commonality of inequality perspectives

In order to determine where divergence amongst the social partners exists when collectively attempting to address socio-economic inequality in South Africa, perspectives of inequality needed to be obtained. Based on the findings it is evident that all the social partners agree that inequality is of grave concern in South Africa and it needed to be addressed.

The South African economy (post-apartheid) has achieved remarkable gains, including important structural adjustments that have produced an average annual economic growth rate of 3.2 percent. It appears to be characterised by growth-oriented cooperation between state and business (Seekings & Nattrass, 2011). The challenge facing South Africa post-1994 was to create an economic and social-political environment where citizens would have access to work and business opportunities, and access to the capacities and skills to make use of these opportunities. Yet higher economic growth and socio-economic development policies and plans have failed to redress the three evil sisters of South Africa: unemployment (an estimated 24.5 percent), inequality (with one of the highest Gini-coefficients in the world), and extreme levels of poverty. Benjamin & Cooper (2016) argue that the challenges have remained unchanged from the transition from apartheid to democracy.

Whilst the issue on inequality in South Africa is underpinned by the systemic issues related to the previous Apartheid government, inequality is not unique:

“There is no different lens on inequality. It is accepted as a systemic feature in society that is wide spread” (Labour 1)

“The situation [inequality] in South Africa was not unique” (Government 1)

“Inequality is a problem in South Africa...it has always been there” (Business 2)

“The problems within South Africa are systemic” (Business 1, Government 1)

The problem for the three social partners however is the social response to the current disparities faced. The three evil sisters remain the fundamental socio-economic challenges facing South Africa, and present themselves as the key ingredients for an explosive social cocktail (Saville, 2015): *“This is a contentious issue....we are sitting with a huge social problem” (Business 3)*.

The disparities between employed and unemployed and the income inequality on a whole is problematic. Social unrest remains an area of concern. Statistics provided by the Department of Labour (2014) indicate that the rate of industrial strikes and total number of days has increased significantly. These are indicative factors of instability within the community of South Africa. Whilst the social partners in South Africa are in agreement that inequality and poverty needs to be addressed; addressing the ‘triple challenge’ as a collective has proved problematic (SBP, 2014; Seekings, 2016). *“There is no different lens on inequality. It is accepted as a systemic feature in society that is wide spread”* (Labour 1). The trouble however is that the problem is getting worse in South Africa. During the State of the Nation address (2014) it was clearly highlighted that the social partners needed to consider wage inequality as a means to address the labour market unrest situation in South Africa. Whilst in principle all social partners agree, the agreed approach is highly contentious.

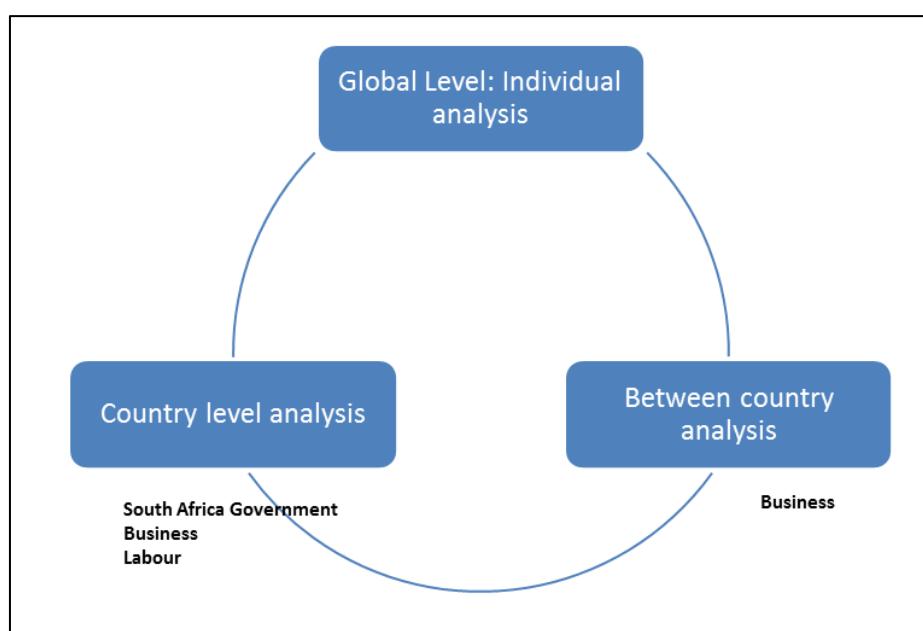
Benjamin & Cooper (2016) criticise the South African Government stating that the labour market continues to face the same issues that dominated the transition from the old apartheid regime to a new democracy. High levels of unemployment, inequality and poverty prevail, despite a number of mechanisms including policy adjustments to ensure a more equal society is achieved. Reasons for this are not completely understood. Twenty years on and South Africa are still grapple with socio-economic issues. *“As social dialogue, we boast about this at international conferences. But some countries that don’t have social dialogue process still do better than us despite South Africa being a richer country than them. The levels of strikes we have, the high unemployment levels –*

“because government needs to subject itself to social dialogue process it is difficult for government to make a decision and lead” (Government 3).

ii. Points of divergence amongst the social partners’

With reference to the literature and deeper analysis of the social partner responses it is evident that the understanding of inequality in fact differs. Inequality is a multi-dimensional issue as outlined in chapter two. The literature has attempted to decipher inequality at three main levels, as illustrated in Figure 8 below.

Figure 8: Inequality is observed at three main levels



Source: Diagram created by own author

Based on the findings in this study, it was observed that Government and labour engage with the issue of inequality at the ‘country level’. Damiani et al. (2011) and Pignataro (2012) explain that there is a micro-level focus of inequality ie: considerations at a country level. During the interview process it became evident that both Government and Labour were concerned with inequality issues within South Africa, whilst Business was concerned with inequality at two spheres: 1.) Micro-level focus on inequality within a country (Damiani et al, 2011; Pignataro, 2012); and 2.) Inequality is also considered on the differences between countries (Papuc, 2009).

Examples to understand the situation were provided by the respondents: recent decisions were made by the Department of Home Affairs to restrict the number of expats working in South Africa. In particular this has impacted the mining sector and the ability to employ

individuals who are citizens from other countries, such as Mozambique and Lesotho for example. From a Government perspective, the issue of inequality and unemployment within South African needs to be addressed and the protection of local jobs for local people is the primary objective, as guided by the NDP (2011). Whilst this is understood, the implications of policy and legislative changes from a business perspective are far greater than anticipated.

Business argued that the focus on inequality in South Africa was too narrow. Whilst it is important for the social partners to consider alleviation of inequality, poverty and unemployment in South Africa it was felt that South Africa plays a greater role from an employment and region development perspective to individuals from neighbouring countries (primarily the SADC region): *"In our industry we have migrant workers. It is important for us to look after them too. GDP contribution within SADC region is required"* (Business 2). As stated by Saville (2015), the primary driver of the South African economy is the world economy. The same could be argued at the SADC and African region. As a result this paper suggests that a key finding is that there is in fact no agreement between the social partners' on the actual issues pertaining to inequality in South Africa. As a result the lack of consensus from a conceptual level affects the social partners' social dialogue process where consensus building is necessary to address certain challenges such as the national minimum wage.

In light of these differences, a review of the literature on inequality in chapter two suggests that the views of inequality and factors contributing to inequality and effects on socio-economic development have shifted over time. Upon further investigation it became clear that the institutional structure seems to be failing to address the real challenges of today. Cornia & Martorano (2012) argue that significant inequality trends have changed over time. Structural determinants of inequality such as land concentration, education and a bias of public policy (between the 1950s – 1970s) have shifted to issues pertaining to institutional factors and public policies arising from the 1980s/1990s. Whilst the social partners acknowledge that there is a point of divergence when it comes to the granular detail in terms of addressing inequality – this has proved to be further problematic to the addressing the challenges. The responses indicate the following:

We [generalising to Government as a whole] feel that where we differ [referring to the other social partners] is the point of policy formulation [when it comes to addressing inequality]" (Government 1).

“There is significant common ground on the broad goals that need to be achieved in South Africa, but when you start to get into the detail you will see that there are significant gaps that exist” (Labour 1).

“There are definitely divergent views...[but] there are [agreement amongst the social partners] high-levels in terms of principals. All social partners agree that the triple challenges need to be addressed” (Business 4).

“The social partners do see it differently” (Business 4).

In this research, upfront observations suggest that from an ideological level, the divergence in the concept of what is inequality amongst the social partners forms the foundation upon which the inequality is to be resolved. According to Medgyesi (2013) and Trade Union Advisory Committee (2015), the rise of inequality and fragmentations between communities, regions and social classes can affect economic growth, weaken social cohesion and weaken trust in markets and institutions. In South Africa, based on the responses received it is clear that a statutory minimum wage and the operationalisation of the policy is likely to be a continuing source of conflict and tension.

In order to assess the divergent views of the various social partners and its impact on social policy in determining the desired approach to address inequality in South Africa, three main labour market theories were reviewed: Neo-classical, Marxist, and institutionalist paradigms. This paper argues that whilst the various positions amongst the social partners on minimum wage and the means to address inequality exist, these in fact do not provide the necessary framework to understand the positioning of the social partner groupings.

Seekings & Nattrass (2015) in their paper provide an overview of the two main positions held in South Africa: Free market and the Coleman/COSATU perspective. Here it is viewed that business generally hold the free-market perspective such as wage regulation which is considered to inhibit economic growth and job creation, whereby the labour market, as per the free market perspective, should be left ‘free’ to determine wages through interaction of supply and demand. The view presented by Human Capital Theorists suggests that in order to increase total earnings development of skills is essential.

Responses received reflected a different perspective altogether. Whilst Government focus is solely on addressing inequality within South Africa primarily for South Africans, concerns related to financing some of these socio-economic issues by business were

acknowledged. Flat growth rates are acknowledged and uncertainty around the impact that a national minimum wage by Government reflects this. Government 3 respondent in particular referred to the fact that certain decisions made within Government are due to certain political agendas that need to be achieved. This was echoed by both Labour (1) and Business overall.

Whilst COSATU proposals are strongly aligned to the dependency model, recent research completed by the Trade Union Advisory Committee (2015) to the OECD in the international arena provides evidence that inequality does not foster economic growth. Whilst this new evidence supports the notion that increased minimum wage levels could help to improve economic growth, the review of income distribution and inequality it is argued cannot be conducted in isolation from other socio-economic challenges. In 'Divided We Stand' it is suggested in the OECD (2011) report that lack of access to quality education and a weakening of labour market institutions are also factors that contribute to the rise of inequality. These are key concerns raised by all the social partners.

Interestingly Business did not present the assumed position that a free market economy is necessary to address improved socio-economic situation in South Africa. Business is aligned with the TUAC (2015) argument that high levels of inequality are not good. Business are concerned with issues of minimum wage, declining education system and the impact that it is having on the future local labour market supply. The case referring to the concerns of expat employees, where equal support is provided is a critical juncture to reconsidering business perspective of inequality and the ways within which to address this.

6.3 Social dialogue and the agreed approach to address socio-economic inequality in South Africa

Addressing inequality in South Africa is no easy task. As explained in previous chapters, South Africa during the 1990s ensured key areas of legislation were amended to ensure a democracy was achieved, where the socio-economic ills of the past could be addressed lifting a number of people out of poverty, ensuring jobs were created to address the challenge of unemployment and reduce inequality overall. Structures such as NEDLAC were established promoting the tripartite process of social dialogue with the three main social partners.

Overall respondents indicated that social dialogue is the correct and agreed process within which labour market issues are addressed, but a lack of trust amongst the social partners' exists. Trust is weakened for a number of reasons. Key issues that emerged in the research process were related to uncertainty:

- Lack of participation during the social dialogue process and/or weakly prepared delegates it was felt was a concern;
- Perspective of political vested interests threatened the social dialogue process;
- Rigid positions prior to engagements taking place did not represent symbolically the process of social dialogue. This it was argued demonstrated lack of willingness to cooperate to ensure all viewpoints are considered within notion of addressing the socio-economic challenges as a collective (despite the different ideological premise upon which certain constituencies were formed).
- Whilst a social dialogue process would be followed, actions by social partners post agreement in some cases would go against the entire tripartite process.

Importantly, the goal of tripartite agreement is to ensure consensus is gained through effective social dialogue between the social partners (International Labour Organisation, 2014). Generally, views are such that the tripartite consultation and wage bargaining coordination would foster better labour market performance, improve stable share of wages in national income, and improve responses to economic 'shocks' (SBP, 2014). As such the lack of trust results in negative outcomes in to dialogue process with weak or less effective (and in some cases prolonged decisions) for policy development occur as:

- Collaboration is weak;
- Eroding confidence levels in the NEDLAC process;
- Divergent views are formed prior to the engagement process and in most cases remain unchanged;
- Fragmentation amongst the social partners.

These are factors that are undermining the development of key policy in South Africa to address issues related to inequality, poverty and unemployment. As outlined by the ILO (1997) and Aleman (2009), social dialogue has enabled new democracies to maintain social cohesion and made possible much needed economic reforms. In South Africa many would argue that this is not the case at present. It is challenging to analyse the divergent perspective of the social partners and the impact that it has on policy

development. As explained in chapter two, there is a wide range of literature on social partners and the process of social dialogue that exists (International Labour Organisation, 2003; Vieriu & Vieriu, 2011; International Labour Organisation, 2013; Andersen & Curtis, 2015; Soentken & Weishaupt, 2015). The challenge however is that literature is completed as a case study which makes generalisation of findings to other contexts difficult. Aleman (2009) argues that the case study approach is useful in that it provides researchers the opportunity to understand are of investigation at the granular level. The same perspective applies in this study.

In the South African case, research around the different social partner perspective in addressing the socio-economic challenges in South Africa is not extensive.

6.4 Developing a shared lens?

Challenges faced in South Africa are not new; inequality has always been a backdrop to the socio-economic situation in South Africa. As outlined in a study nearly twenty years ago, ‘Negotiating the future: labours role in NEDLAC’, Gostner & Joffe (1997), noted capacity to be a challenge for business, government and labour in relation to the social dialogue process at NEDLAC. Capacity challenges were two-fold: 1). Problems of capacity related to time available; and 2.) problems related to the technical expertise and negotiating ability necessary to deal with the issues that were on NEDLACs agenda at the time. The work completed by Gostner & Joffee (1997) is dated, but the findings are relevant to the context of analysis today. Twenty-odd years ago capacity was major factor affecting social partners’ availability to attend the extensive meetings to engage with the complexity of issues that needed to be addressed.

In this research significant criticism is levelled towards Government for of factors, namely:

- Vested interests by various political leaders;
- Inter-Governmental challenges leading towards isolated decision making further demonstrating the fractions that exist between the different Departments within Government such as Treasury, Department of Labour and Social Development, to name a few;
- A lack of trust with Government affected by compromised decision-making that does not always follow the path of the pre-defined social dialogue process.

The challenge however is that power dynamics come into play. Aleman (2009) argues that the social dialogue process can in fact advance the vested interests of the social

partners. Arguably, the capture of the policy agenda by top income earners through their excessive domination of political funding in some countries is leading to a serious distortion of public policy and builds inequity into economic growth models (Medgyesi, 2013; TUAC, 2015; OECD, 2016). The misappropriation of funds and the key objectives not being achieved in the NDP (2011) together with the short comings of Government from a leadership and institutional level are having severe consequences to the socio-economic situation.

Negotiating through the labour market requirements from the differing positions has not gone uncontested. In this research major concerns are raised around the fragmentation that exists within the social partners' coupled by the fragmentation between the different social partners. Whilst Government were criticised strongly during the interview process, each respondent acknowledged that challenges within their respective groups were a concern. Whilst there is a stronger demand for redistribution, findings in this research indicates that the social partners are divided. Agreement at the concept level on issues of inequality are in fact not equally understood. The social partners all state that there is agreement on the principles of inequality; it is the means within which to address these issues where the divergence occurs. However all social partners acknowledge that there is divergence. Therefore it is argued that the common lens through which the socio-economic situation in South Africa is being addressed is weakened by the institutional shortfalls and will continue to lack the 'shared' perspective until a common understanding and agreement at the principle level is achieved. According to Soentken & Weishaupt (2015), "when social partners are divided, their collective power is reduced and partisan-based policy outcomes become more pronounced."

This research paper argues that the literature on social dialogue fails to examine the lens through which the social partners view inequality and the immediate impact that this will have on the outcomes of the social dialogue process. Furthermore literature within the South Africa context, as Seekings (2016) argues whilst the literature on the institutions that set minimum wages indicates that the institutional design is important to consider, empirical studies on the structural differences between these institutions lacks. The challenge with the current literature is that it does not clearly address issues with the implementation of social dialogue within a failing institutional system development to foster socio-economic growth. Fragmentation amongst the social partners is not conducive to creating a dialogue process necessary to address the broad socio-economic issues in South Africa.

7. Chapter Seven: Conclusion

7.1 Introduction

This previous chapter provided an analysis of the research findings presented in chapter five. The findings in this research paper need to be considered within the context of the tripartite social dialogue process as a means towards addressing key socio-economics issues primarily related to labour market challenges, such as the issue of inequality which (arguably) can be mitigated through a national minimum wage floor in South Africa. Whilst a vast amount of literature on the debate related to the minimum wages levels that need to be set, the analysis of the social dialogue process and more importantly the ‘common’ lens through which the social partners engage lacks. It has been over two years since the call from Government to the social partners to work towards addressing inequality through the setting of a minimum wage floor, with no final decision being made at this stage. Below this chapter will present the key findings of this research, indicating the implications of the findings and closing out with a set of recommendations for future research.

7.2 Key Research Findings

i. There is no consensus at a conceptual level of inequality

This paper argues whilst social partners state that they are all in agreement that inequality needs to be addressed, the findings in this research suggest that there is no agreement between the social partners’ on the actual issues pertaining to inequality in South Africa. As a result the lack of consensus from a conceptual level is a cause for concern.

Based on the findings in this study, it was observed that Government and labour engage with the issue of inequality at the ‘country level’ (Damiani et al., 2011; Pignataro, 2012) During the interview process it became evident that both Government and Labour were concerned with inequality issues within South Africa, whilst Business was concerned with inequality at two spheres: 1.) Micro-level focus on inequality within a country (Damiani et al., 2011; Pignataro, 2012); and 2.) Inequality is also considered on the differences between countries (Papuc, 2009). Business argued that the focus on inequality in South Africa was too narrow.

Whilst it is important for the social partners to consider alleviation of inequality, poverty and unemployment in South Africa it was felt that South Africa plays a greater role from an employment and region development perspective to individuals from neighbouring

countries (primarily the SADC region): "*In our industry we have migrant workers. It is important for us to look after them too. GDP contribution within SADC region is required*" (Business 2). As stated by Saville (2015), the primary driver of the South African economy is the world economy. The same could be argued at the SADC and African region. As a result this paper suggests that a key finding is that there is in fact no agreement between the social partners' on the actual issues pertaining to inequality in South Africa. As a result the lack of consensus from a conceptual level affects the social partners social dialogue process where consensus building is necessary to address certain challenges such as the national minimum wage.

i. Labour market theory fails to position social partners from a theoretical perspective

A key finding in this research paper suggests that the various labour market theories vis-à-vis: Neo-classical, Marxist, and institutionalist paradigms do not adequately explain the three social partners' positioning in South Africa. Interestingly Business did not present the assumed position that a free market economy is necessary to address improved socio-economic situation in South Africa. Business is aligned with the TUAC (2015) argument that high levels of inequality are not good. Business are concerned with issues of minimum wage, declining education system and the impact that it is having on the future local labour market supply. The case referring to the concerns of expat employees, where equal support is provided is a critical juncture to reconsidering business perspective of inequality and the ways within which to address this.

This further affected the ability to determine the lens through which the social partners address socio-economic issues such as inequality in South Africa.

ii. Social Dialogue - jeopardised

Despite having strong institutions, there is strong response from all the social partners that it is not only Government that is fragment. Government, Labour and Business are disconnected. The goal of social dialogue however is being eroded by the continued and worsening state of affairs. Poor institutional leadership is affecting key decisions made through the social dialogue process. In most instances the decision-making process is prolonged. Overall there is a lack of trust and the future direction that South Africa needs to take is unknown.

Currently the goal of collaboration is not being achieved to the full potential that the social partners are capable of achieving.

7.2.1 Implications of findings

Socio-economic situation within South Africa is challenging. Whilst this research was conducted as a case study, it is important to note that the findings within this study cannot be generalisable to all areas within South Africa. This research does however shed some light to the fact that there is in fact no consensus when it comes to inequality at the conceptual level. In saying this it does not mean that the social partners completely disregard each social partner's perspective. The challenge is faced during the social dialogue process and agreeing upon the means and direction within which the social partners' need to take to address inequality in South Africa.

A lack of understanding within which the lens of inequality is viewed amongst the social partners themselves implies that the challenges amongst the social partners will continue.

7.3 Suggestions for future research

From a scholarly perspective, in-depth understanding around the different social partners in South Africa is highly recommended. As such the following is recommended as areas of future research:

- Further research necessary to determine whether a bilateral or tripartite relationship is followed in determining minimum wage levels in South Africa. Whilst a tripartite social dialogue process is proposed, are all the social partners engaging as per the guidelines stated by the International Labour Organisation (2011);
- It is recommended that the process of social dialogue in South Africa be analysed to determine reasons for short comings despite the literature that provides classic examples of where social dialogue through a tripartite relationship exists.

7.4 Conclusion

The socio-economic situation in South Africa is not going to improve in the short-term. Currently there is a high level of uncertainty in terms of the future situation within South Africa. Significant to the process of addressing inequality in South Africa are the social partners that form part of the tripartite social dialogue process. It is imperative that a common lens within which issues such as inequality are considered. A common lens will

provide the necessary framework within which the social dialogue process can foster creating a cohesive, collaborative approach towards developing a brighter future in South Africa.

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9. Appendices

Appendix A: Informed consent form



**The Gordon Institute of Business Science,
The University of Pretoria**

26 Melville Road
Illovo, JHB
Tel: (011) 771 4000

INFORMED CONSENT FORM

Title of Research

An assessment of Government, Business, Trade Unions and civil society perspectives of socio-economic inequality in South Africa: what lens are we looking through?

Aims of this research

The aims of this research are to assess the divergent views of the various social partners' impact on social policy in determining the desired approach to address inequality in South Africa. Overall, this research aims to 1.) Explore the perspectives of inequality from the viewpoints of government, business, trade unions, and civil society in South Africa; in determining the agreed approach to address socio-economic inequality in South Africa; and 2.) to understand how these main groups collaborate to achieve the goal of developing a shared 'lens' through which to collectively address socio-economic inequality.

Your participation in this research

In order to achieve the main objectives of this research: assess the differing social partner's perspectives of the socio-economic inequality in South Africa, a number of key respondents will be approached to take part in this research. Total time required will be a 1 hour interview. All participation is voluntary. Each respondent at any stage may withdraw his or her participation in this research. The decision to withdraw from this research will not result in any form of disadvantage to each participant.

All data gathered for this research will be secured and stored by the researcher. All respondents

personal information and participation will be secured and kept solely for the use of this research only, and will not be made available to any other person(s), requesting this information, under no circumstances.

Your participation in this research, and the signed/consented agreement between yourself and the researcher, will be acknowledged. Confidentiality and anonymity of all participants in this research will be protected and respected. Any further presentations and publications of any materials requiring further anonymity and confidentiality of each participant will be understood clearly at the start of each interview. This is to ensure that your participation in this research is protected. If any further concerns are raised by the participant, in relation to the content of their involvement in this research, revisions will be done in order to correct any mistaken identity within this research. In addition, your responses gathered for the purpose of this research will be acknowledged and represented as 'the respondent' within the forms of the finished thesis, oral presentations and any other forms of publications.

The use of any written, audio or video recordings will be brought to the respondent's attention before the start of each interview. Each participant has the right to decline to use of these data gathering tools. Following this, each respondent's participation is voluntary, and are free to withdraw from this research at any stage, for any reason.

Researcher Information

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Current Qualifications:	Masters of Social Sciences (IOLS)
Research dissertation:	Requirement for completion of Masters of Administration (MBA)
Student of:	Gordon Institute of Business Science, The University of Pretoria

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Signature of Researcher

Ms. K.Rowe

Date

Signature of Supervisor

Mrs. A. Gildenhuys

Date

DECLARATION (to be read and signed by each respondent)

I.....(full names of participant)
hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from this research at any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

Appendix B: Ethical Clearance

Dear Miss Kelley Rowe

Protocol Number: **Temp2016-01652**

Title: **An assessment of Government, Business, Trade Unions and civil society perspectives of socio-economic inequality in South Africa: what lens are we looking through?**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker