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NNF 18 of 2022

2 August 2022

SOCIAL COMPACT: LEAVE THE GEPF

Government has released to social partners, for comment, its 6th draft on a “Framework for a social compact for South Africa”. The compact aims to build a national consensus (that is, we “leave no-one behind”) as part of the process of developing desperately needed levels of social cohesion.

The focus areas of the compact are the following:

- urgently and decisively solving the energy supply gap
- focussing on structural reforms
- expanding public employment programmes
- developing a social security system that is sustainable and affordable
- creating a conducive environment for SMME
- practical and value-adding localisation
- development of new models to fight crime, sabotage, and corruption
- development of a new model of demand-led skills coupled with an immigration policy
- improving basic service delivery

As a stakeholder, NAPTOSA agrees that the identified areas need critical attention, and we are fully committed to participate in the process through FEDUSA that is a party to NEDLAC where the compact will ultimately be concluded.

The draft Framework gives an indication of the expected commitments of the various social partners. One of the things Labour is expected to commit to is investment by pension funds (including the GEPF) in infrastructure projects, and support for Eskom’s debt solution through the implementation of the NEDLAC -ESKOM compact concluded in 2019.

NAPTOSA questions why the GEPF specifically gets singled out while we have not seen private pension funds, and the ESKOM pension fund in particular, showing any interest in contributing to any of these matters. NAPTOSA was not a member of FEDUSA in 2019 when the NEDLAC-ESKOM compact was entered into, but we believe that the federation would not have supported the utilisation of GEPF funds.

When government mooted the idea in August 2020 to access retirement savings to finance long term infrastructure projects and high-impact capital projects we made our position very clear, namely “Hands off our pension fund, until there is clear evidence that Government is able to implement a corruption-free plan and guarantee profitable returns”. This remains our position and even more so in respect of ESKOM debt alleviation. We can never agree that GEPF funds be dumped in the ESKOM bottomless pit. We will urge our FEDUSA counterparts to support this position in the deliberations that are to take place on the social compact in NEDLAC.

BASIL MANUEL
EXECUTIVE DIRECTOR